

Cabinet

2 July 2018



Time and venue:

10.30 am in the Ditchling Room at Southover House, Southover Road, Lewes, BN7 1AB

Membership:

Councillors Andy Smith (Chair); Councillors Elayne Merry (Deputy-Chair) Paul Franklin, Bill Giles, Tom Jones, Isabelle Linington, Ron Maskell and Tony Nicholson

Quorum: 4

Published: Friday, 22 June 2018

Agenda

1 Minutes (Pages 1 - 4)

To confirm and sign the minutes of the meeting of the Cabinet dated 23 April 2018.

2 Apologies for absence

3 Declarations of interest

Disclosure by councillors of personal interests in matters on the agenda, the nature of any interest and whether the councillor regards the interest as prejudicial under the terms of the Code of Conduct.

4 Urgent items

Items not on the agenda which the Chair of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances as defined in Section 100B(4)(b) of the Local Government Act 1972. A supplementary report will be circulated at the meeting to update the main reports with any late information.

5 Public question time

To deal with any questions received from members of the public in accordance with Council Procedure Rule 11 (if any).

6 Written question from councillors

To deal with written questions which councillors may wish to put to the Chair of the Cabinet in accordance with Council Procedure Rule 12 (if any).

7 Matters referred to the Cabinet

Matters referred to the Cabinet (whether by the Scrutiny Committee or by the Council) for reconsideration by the Cabinet in accordance with the provisions contained in the Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in part 4 of the Council's Constitution.

None.

8 Reports from officers

9 Devolution of open spaces to Town and Parish Councils (Pages 5 - 16)

To consider the recommendations made by the Devolution Committee at its meeting held on 7 June 2018.

Report of Interim Director of Service Delivery
Lead Cabinet member: Councillor Nicholson

Key decision

10 Finance update - performance quarter 4 - 2017-2018 (Pages 17 - 58)

Report of Deputy Chief Executive
Lead Cabinet member: Councillor Giles

Non-key decisions

11 Portfolio progress and performance report 2017-18 - quarter 4 (Pages 59 - 100)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Merry

12 Development of Anchor Field, Ringmer (Pages 101 - 110)

Report of Director of Regeneration and Planning
Lead Cabinet members: Councillors Giles and Maskell

(This report contains an exempt appendix. Any discussion of this must take place at item 21 following exclusion of the public.)

Key decisions

13 Review of the council plan 2016-2020 (Pages 111 - 134)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Smith

14 Equality monitoring policy (Pages 135 - 150)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Merry

15 Proposals to develop environmental initiatives (Pages 151 - 160)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Linington

16 Affordable housing supplementary planning document (SPD)
(Pages 161 - 248)

Report of Director of Regeneration and Planning
Lead Cabinet member: Councillor Jones

17 North Street Quarter (Pages 249 - 258)

Report of Director of Regeneration and Planning
Lead Cabinet members: Councillor Smith and Giles

(This report contains exempt appendices. Any discussion of this must take place at item 22 following exclusion of the public.)

18 Regeneration at Avis Way, Newhaven (Pages 259 - 282)

Report of Interim Director of Service Delivery and Director of Regeneration and Planning
Lead Cabinet members: Councillors Franklin and Giles

19 Regeneration of Newhaven Town Centre (Pages 283 - 298)

Report of Director of Regeneration and Planning
Lead Cabinet members: Councillors Smith and Giles

(This report contains an exempt appendix. Any discussion of this must take place at item 23 following exclusion of the public.)

20 Exclusion of the public

The Chief Executive considers that discussion of the following items is likely to disclose exempt information as defined in Schedule 12A of the Local Government Act 1972 and may therefore need to take place in private session. The exempt information reasons are shown beneath the items listed below. Furthermore, in relation to paragraph 10 of Schedule 12A, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. *(The requisite notices having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)*

(Note: Exempt papers are printed on pink paper).

21 Development of Anchor Field, Ringmer - Appendix 1 (Pages 299 - 300)

Report of Director of Regeneration and Planning
Lead Cabinet members: Councillors Giles and Maskell

Exempt information reason 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

22 North Street Quarter - Appendix 1 and 2 (Pages 301 - 312)

Report of Director of Regeneration and Planning
Lead Cabinet members: Councillor Smith and Giles

Exempt information reason 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

23 Regeneration of Newhaven Town Centre - Appendix C (Pages 313 - 322)

Report of Director of Regeneration and Planning
Lead Cabinet members: Councillors Smith and Giles

Exempt information reason 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

24 Regeneration at Springman House (Pages 323 - 338)

Report of Director of Regeneration and Planning
Lead Cabinet members: Councillors Smith and Giles

Exempt information reason 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

Information for the public

Accessibility: Please note that the venue for this meeting is wheelchair accessible and has an induction loop to help people who are hearing impaired. This agenda and accompanying reports are published on the Council's website in PDF format which means you can use the "read out loud" facility of Adobe Acrobat Reader.

Filming/Recording: This meeting may be filmed, recorded or broadcast by any person or organisation. Anyone wishing to film or record must notify the Chair prior to the start of the meeting. Members of the public attending the meeting are deemed to have consented to be filmed or recorded, as liability for this is not within the Council's control.

Public participation: Please contact Democratic Services (see end of agenda) for the relevant deadlines for registering to speak on a matter which is listed on the agenda if applicable.

Information for councillors

Disclosure of interests: Members should declare their interest in a matter at the beginning of the meeting.

In the case of a disclosable pecuniary interest (DPI), if the interest is not registered (nor the subject of a pending notification) details of the nature of the interest must be reported to the meeting by the member and subsequently notified in writing to the Monitoring Officer within 28 days.

If a member has a DPI or other prejudicial interest he/she must leave the room when the matter is being considered (unless he/she has obtained a dispensation).

Councillor right of address: A member of the Council may ask the Leader, a Cabinet Member or the Chair of a committee or sub-committee any question without notice upon an item of the report of the Cabinet or a committee or subcommittee when that item is being received or under consideration by the Council.

A member of the Council may ask the Chair of a committee or sub-committee a question on any matter in relation to which the Council has powers or duties or which affect the District and which falls within the terms of reference of that committee or subcommittee.

A member must give notice of the question to the Head of Democratic Services in writing or by electronic mail no later than close of business on the fourth working day before the meeting at which the question is to be asked.

Democratic Services

For any further queries regarding this agenda or notification of apologies please contact Democratic Services.

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Telephone: 01323 410000

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Lewes District Council

Cabinet

Minutes of a meeting of the **Cabinet** held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Monday 23 April 2018** at 2.30pm

Present:

Councillor A Smith (Chair)

Councillors P Franklin, B Giles, T Jones, I Linington, E Merry, T Nicholson, and R Maskell

In attendance:

Councillor M Chartier (Chair of the Audit and Standards Committee)

Councillor P Gardiner (Chair of the Scrutiny Committee)

Councillor S Osborne (Leader of the Liberal Democrat Group)

Minutes

93 Minutes

The minutes of the meeting held on 19 March 2018 were approved as a correct record and signed by the chair.

94 Apologies for absence

Apologies for absence were reported from Ms Debbie Twitchen (Tenants' Representative) and Mr John Langley (Tenants' Representative).

95 Declarations of interest

Councillors Smith, Linington, Maskell, Merry, Nicholson and Jones declared a personal, non-prejudicial interest in agenda item 8.1 (Community Infrastructure Levy recommendations for spending). They all remained in the room and voted on the decision.

Councillors Smith and Maskell declared a prejudicial interest in agenda item 8.2 (Housing development update), as both were executive committee members of Aspiration Homes LLP. Councillor Smith withdrew from the room and Councillor Merry chaired the meeting whilst the item was considered. Councillor Maskell remained in the room to present the report and declared that he would not participate in a vote taken by Aspiration Homes LLP for any transactions contained in this item. As an executive committee member on Aspiration Homes LLP, visiting member, Councillor Osborne also withdrew

from the room whilst this item was considered.

96 Matters referred to the Cabinet

There were none.

97 Community Infrastructure Levy recommendations for spending.

The Cabinet considered the report of the Director of Regeneration and Planning, seeking their approval to release Community Infrastructure Levy (CIL) funds, as recommended by the CIL Executive Board, to assist in the delivery of certain infrastructure projects in the area of the district for which Lewes District Council is the local planning authority.

It was confirmed that a briefing note would be prepared by officers for district councillors to relay at parish council meetings, which would encourage and advise on how CIL bids could be submitted.

Resolved:

1. That the release of funds from the Community Infrastructure Levy governance pots as recommended by the CIL Executive Board be agreed.

Reasons for the decisions:

To support the delivery of the right level and type of infrastructure to support the growth identified for the local planning authority in the adopted Joint Core Strategy.

98 Housing development update.

The Cabinet considered the report of the Director of Regeneration and Planning on progress made to develop phase one of an affordable housing delivery pipeline, providing homes directly and through Aspiration Homes LLP and Lewes Housing Investment Company.

A press release would be published, promoting and clarifying the objectives and potential of the pipeline.

(Note: Councillors Smith and Maskell declared a prejudicial interest in this item (see minute 95 above). Councillor Merry chaired the meeting for consideration of this item.)

Resolved:

1. That the Council's affordable housing development pipeline of homes to be delivered through the Housing Revenue Account, Aspiration Homes and Lewes Housing Investment Company by a mix of purchasing land for new development and acquisitions of existing properties be noted.
2. To approve the associated loan amounts required to develop or acquire the homes set out at appendix A to the report which requires a lending facility of up to £35m to deliver homes that will

be partly covered by £20m approved in the Council 2018/19 Council Budget. To authorise the Deputy Chief Executive, in consultation with the Lead Member for Finance, to determine the terms of any loan which is to be offered.

3. To authorise the Assistant Director for Legal and Democratic Services to ensure that a “Funding Agreement” pursuant to the existing “Deed of Entrustment” is entered into by Aspiration Homes with the Council so that right to buy receipts are appropriated in accordance with legislative requirements and the retention agreement with Government in relation to “social housing”. To give delegated authority to the Director of Regeneration and Planning to determine the terms of such agreements.
4. To give delegated authority to the Director of Regeneration and Planning in consultation with the Lead Member of Housing, to dispose of land currently held in the HRA as listed in the table at appendix A to the report and identified as held within the HRA to Aspiration Homes or LHICL pending due diligence. This delegation is to include authorisation not to dispose by auction or invitation of tenders following public advertisements (sought under Contract Procedure Rules 18.1). To further give delegated authority to the Director of Regeneration and Planning to determine the terms for the disposals, that may be below market value.
5. To note the Council’s future housing delivery approach for Aspiration Homes LLP & LHICL in order to provide more new homes for the District.
6. To delegate authority to the Director of Regeneration and Planning and the Lead Member for Housing (and where appropriate the Deputy Chief Executive and Assistant Director – Legal and Democratic Services) to progress the projects through the Clear Futures Energy & Sustainability Joint Venture if they consider it appropriate, and at an appropriate future stages to decide if the projects should be put forward to the Clear Futures Steering Board for inclusion as Part 1 and/or Part 2 projects.

Reason for the decisions:

The pipeline shows the scale and detail of the Council’s current housing development programme, providing background behind the required loan facility in recommendation 2.

In order for either entity to purchase land from the Council and develop them for housing they will require access to up front capital investment.

For Aspiration Homes to use Right to Buy receipts to fund new affordable housing the necessary legal agreements need to be in place to allow this and these must be used in accordance with the terms of our right to buy receipt retention agreement.

The locations listed at appendix A to the report have a variety of pre-construction issues to resolve, and may be brought forward in a number of different phases. By giving delegation to the Director of Regeneration and Planning, disposal and delivery of housing can take place as site issues are resolved.

The future development strategy outlines the approach to how the programme will be shaped with regards to households and tenures.

The involvement of Clear Futures can significantly improve a range of efficiencies in the delivery of the projects.

99 Vote of thanks.

As it was their last meeting before leaving the authority, the Cabinet expressed their thanks and formal appreciation to Aidan Thatcher, Head of Planning for all his work and support provided during his time at the Council.

The meeting ended at 2.49 pm.

A Smith
Chair

Report to: Cabinet

Date: 2 July 2018

Title: Devolution of Open Spaces to Town and Parish Councils

Report of: Tim Whelan, Interim Director of Service Delivery

Cabinet member: Councillor Tony Nicholson

Ward(s): All Lewes Wards, All Newhaven Wards

Purpose of report: To request approval from Cabinet on the recommendations made by the Devolution Committee on 7 June 2018.

Decision type: Non-Key

Officer recommendation(s): (1) To note the state of progress in relation to those Newhaven sites outlined in paragraph 2.1 of this report, devolution of which has already been approved by Cabinet.

(2) That Cabinet approves the transfer of those sites outlined in para 2.4 and 2.7 of this report and authorises the Director of Service Delivery to take all steps necessary to finalise those transfers.

(2) That Cabinet approves the recommendation to vary the standard form of overage provision to allow certain developments to take place at Eastside Recreation Ground, Newhaven as outlined at para 2.3 of this report.

(3) That Cabinet approves the recommendation to devolve Meeching Down, Newhaven, to Newhaven Town Council and authorises the Director of Service Delivery to take all steps necessary to finalise those transfers.

Reasons for recommendations: To note the progress made on devolution of open spaces and and to agree the next steps to further progress.

Contact Officer(s): Name: Bee Lewis
Post title: Head of Property & Facilities
E-mail: bee.lewis@lewes-eastbourne.gov.uk
Telephone number: 01323 415521

1 Introduction

1.1 Special expenses charges for open spaces and recreation areas have been a key driver generating discussions on the devolution of open space assets with

Town and Parish Councils. The Special Expense charge is an annual addition to the Lewes District council tax to cover the costs that the Council incurs to manage and maintain parks, open spaces, recreation areas and other 'green' sites which it owns.

- 1.2 The amount of Special Expenses charges varies between towns and parish areas and is dependent on the budgeted cost of the sites located in each of these areas.
- 1.3 When a Town or Parish Council takes on a devolved asset, it will include the running and administration costs within its own precept (budget). This means that as LDC is no longer the owner of the asset, Special Expenses no longer applies and the charge will end.
- 1.4 To enable land transfers, there is a considerable amount of background work involving Legal Services, Property & Facilities, Finance, and Parks which must take place prior to the finalising of agreements between the parties.
- 1.5 A template form of transfer has been agreed with the parties, which includes provision for 'overage' which allows the seller to share in certain increases in the value of the property after it has been sold. This provision has been included, along with other restrictions in relation to the use of the site, in order to preserve the current usage of the site.
- 1.6 On 18th April, meetings were held with Lewes Town Council (LTC) and then with Newhaven Town Council (NTC) to discuss progress to date and determine the next steps. The meetings were constructive and addressed any misconceptions and questions regarding the devolution of open spaces.

2 Proposal

Newhaven Town Council

- 2.1 The first "wave" of transfers currently being progressed are:
 - (a) Eastside Recreation Ground, subject to Cabinet approval of the recommendation outlined in para 2.3 below.
 - (b) Avis Road Recreation Ground, subject to a licence from East Sussex County Council in relation to access over the site.
 - (c) Drove Park Recreation Ground, subject to agreeing a right of way over Avis Way Industrial Estate.
 - (d) Lewes Road Recreation Ground, subject to an agreed way forward on the contamination issues on the site and resolution of third party interests.
 - (e) Valley Road Recreation Ground, subject to completion of the purchase of a strip of land not in the Council's ownership to tidy up the title and

complete the land array.

- 2.2 As stated at paragraph 1.5 the template transfer document includes provision for overage in the event that planning permission is granted for certain types of development. NTC propose to replace the changing rooms at East Side Rec and potentially construct new changing rooms and/or a new crèche/day nursery/cay centre.
- 2.3 It has been agreed that this use will not trigger the payment of overage on the basis that it will secure the promotion or improvement of the economic, social or environmental well-being of the local area, and on the basis that the increase in value of the land will not exceed certain limits. It is also agreed that a maximum of 25% of the ground area of the property can be used as a crèche/day nursery/day centre to make it clear that the primary use is open space/recreation ground. It is therefore recommended that Cabinet approves the recommendation to vary the standard form of overage provision to allow certain developments to take place at Eastside Recreation Ground.
- 2.4 It was agreed at a Devolution Committee meeting dated 27 January 2015 that certain other sites are suitable for negotiation and this list includes Castle Hill, Newhaven. The minutes of that meeting were agreed by Cabinet on 12 February 2015. NTC has decided that it would like Castle Hill and Meeching Down (as discussed at paragraph 2.5 below) to take priority over the remaining sites waiting to be devolved and for work on their transfer to be undertaken next, once the first phase of devolution has been achieved.
- 2.5 It was not originally proposed that Meeching Down Open Space was to be transferred to NTC, however, it is now proposed that the transfer will take place as part of the devolution process. It is therefore recommended that Cabinet approves the devolution of Meeching Down to NTC (see Appendix A for the plan of the area to be devolved).

Lewes Town Council

- 2.6 The transfer of ownership of Landport Bottom to LTC (who currently owns a 50% share) will take place imminently. As LTC are joint owners, it is proposed that the land is transferred without an overage provision. This transfer and the non-inclusion of an overage clause in this case will be subject to Lead Member approval, which is currently being progressed.
- 2.7 It was agreed at a Devolution Committee meeting dated 27 January 2015 that certain other sites are suitable for negotiation and this list includes Timberyard Play Area, The Paddock Play area (including WCs) and Bell Lane. The minutes of that meeting were agreed by Cabinet on 12 February 2015. LDC has proposed that these sites are taken forward for an early devolution and LTC's decision is awaited.

Other Devolution Projects

- 2.8 LDC is in early discussions with East Chiltington Parish Council in relation to the

potential devolution of Hollycroft, East Chiltington.

Additionally, Peacehaven Town Council have indicated that they would like to commence the devolution process and officers are working on a list of sites to be transferred.

3 Financial appraisal

- 3.1 When an asset is devolved, the cost of ownership passes from this Council to the local Town or Parish Council.
- 3.2 The table below indicates the total charged in 2018/2019 as Special Expenses for each of the sites included in the first wave of transfers to NTC. The total charged includes the estimated cost of work carried out by LDC's Grounds Maintenance contractor and an allocation of other direct costs (eg repairs to fencing and tree works) as well as a share of LDC's own management and overhead costs. The total amount charged as Special Expenses for these sites equates to a Band D council tax amount of £13.28 for council taxpayers in Newhaven.
- 3.3 It is proposed to pass Special Expenses charges collected in 2018/2019 by LDC from local taxpayers to NTC at the time that the sites are devolved, net of any costs incurred in the year to date, to NTC. Special Expenses charges would no longer apply from 1 April 2019 as the Council would no longer be responsible for the sites. Any costs incurred by NTC after that date would be met from its own local precept.
- 3.4 For completeness of reporting, the table also shows the current Balance Sheet value of each site. It is essential to note that the sites are held as a 'community asset' and the valuation is its 'historic cost' used for accounting purposes only. This is not the current value of the site in either its existing or any alternative use. When the site is devolved, its value will be removed from the Balance Sheet but, under the local government accounting framework, this technical accounting 'loss' will have no impact on the Council's revenue budgets in the year.

Site	Total charged as Special Expenses 2018/19 £	Balance Sheet value £
Eastside Rec and allotments	32,560	85,000
Avis Road Recreation Ground	7,920	20,000
Drove Park Recreation Ground	1,450	30,000
Lewes Road Recreation Ground	0	n/a
Valley Road Play Area	4,630	15,500
Meeching Down	9,680	n/a
Castle Hill Nature Reserve	1,410	n/a
Total	£57,650	£150,500

4 Legal implications

4.1 There are no additional legal implications arising as a result of this report.

5 Risk management implications

5.1 Should it not be possible to agree terms, the matter will be reported to the next meeting of Devolution Committee for a recommendation to Cabinet at a future date.

6 Equality analysis

6.1 I have carried out an initial Equality Assessment and there are no equality implications as a result of this report, as the land will be transferred on an existing use basis and the report relates to a change of ownership only.

7 Appendices

- Appendix A: Plan of Meeching Down
- Appendix B: Minute extract from Devolution Committee on the 7 June 2018

8 Background papers

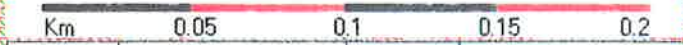
- None

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Meeching Down Newhaven



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Lewes District Council

Devolution Committee recommendations for consideration by Cabinet at the meeting of the Cabinet on Monday, 2 July 2018

Devolution Committee – 7 June 2018

6 Devolution of open spaces to town and parish councils

The Committee received the report of the Head of Property & Facilities (HPF) which provided an update on the progress of devolution requests from town and parish councils within the District, and to confirm the next sites that it was proposed were transferred.

The Assistant Director of Legal and Democratic Services (ADLDS) informed the Committee that on 18 April 2018, two separate meetings were held between members of Lewes District Council (LDC)'s Devolution Committee and the clerk/members of Lewes Town Council (LTC) and the clerk/members of Newhaven Town Council (NTC), respectively.

The ADLDS reported that both meetings were felt to have been constructive and helpful. It had been two years since the last meeting of LDC's Devolution Committee on 15 June 2016. Work on the devolution of sites had been proceeding during this period, albeit slowly.

The meeting with the clerk and members of LTC had provided an opportunity for the district council to explain its reasons for deciding to postpone the devolution of the Malling site, pending development of the North Street Quarter.

The ADLDS confirmed that progress on the devolution of the Landport Bottom site had now progressed to a stage where LDC was holding signed documentation from LTC and was only awaiting final sign-off from the relevant Cabinet portfolio holder.

In light of the devolution of the Malling site being postponed, LDC officers had written to LTC offering certain other open space sites (already approved by the district council's Cabinet for devolution back in 2014) which could be brought forward for early devolution. These were Timberyard Play area, the Paddock play area (including public toilets) and Bell Lane. A response from the Town Council was not expected until after its next meeting on 21 June 2018.

The ADLDS highlighted that Lewes Road Recreation Ground needed to be included on the list of sites in paragraph 2.6 on page 6 of the report,

as the site was discussed at the meeting with NTC on 18 April 2018. The devolution of Lewes Road Recreation Ground might take some time to sort because there was an issue of land contamination and the potential of indemnities which had yet to be resolved. Further, this was not a matter that could be sorted by the town and district council alone; there were third party interests. Solicitors for the town and the district were working together to progress these.

The ADLDS provided a progress update on the Newhaven sites listed under paragraph 2.6:

- **Eastside Recreation Ground** was an exception to the usual overage position as explained in paragraph 2.4 on page 6 of the report, For that reason LDC would need to refer the matter back to Cabinet to obtain approval to proceed with an amended overage provision;
- **Avis Road Recreation Ground** needed a licence from East Sussex County Council in order to access the site;
- **Drove Park** required a right of way over the industrial estate, which required a third party consent; and
- **Valley Road Recreation Ground** contained a strip of land that was not owned by LDC. The Council was in the process of completing the purchase of the strip of land in order for the devolution of the site to go forward.

The ADLDS explained that NTC had asked for the devolution of Meeching Down to come forward as soon as possible. The HPF confirmed that there was no reason why this could not now be brought forward. The Chair requested an update on other devolution projects, as set out in paragraphs 2.14 and 2.15 on page 7 the report:

- The Council's Solicitor confirmed that the site at Hollycroft in East Chiltington was still at an early stage in the process of potential devolution; and
- The HPF clarified that LDC had contacted the Peacehaven Town Council Clerk for a list of possible sites for devolution, but LDC had not yet received a response.

Resolved:

- 1) To note that Lewes District Council had written to Lewes Town Council offering early devolution of the following sites: Timberyard Play Area, the Paddock Play Area (including public toilets) and Bell Lane;
- 2) To note the progress regarding the devolution of open spaces by Lewes District Council to Lewes Town Council and Newhaven Town

Council, as set out in the report;

- 3) To note the inadvertent omission of Lewes Road Recreation Ground from paragraph 2.6 of the report and to note that the devolution of this site is still being actively pursued by both Newhaven Town Council and the district council; and
- 4) To agree that the Castle Hill be programmed for early devolution to Newhaven Town Council, together with Meeching Down providing devolution of the latter is agreed by Cabinet.

Recommended to Cabinet:

- 1) That the devolution of the Meeching Down site in Newhaven to Newhaven Town Council, be agreed; and
- 2) That the variation of the standard from of overage provision to allow certain development to take place at Eastside Recreation Ground in Newhaven as outlined in paragraph 2.7 on pages 6 and 7 of the report, be agreed.

Reason for decisions:

To note the progress of the devolution of open spaces within the District and to agree the next steps for further progress.

(Note: Cllr Giles declared his non-prejudicial interest in this item as his home was adjacent to the site Meeching Down, Newhaven. He therefore took part in the consideration, discussion and voting thereon.)

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Report to:	Cabinet
Date:	2 July 2018
Title:	Finance Update – Performance Report - 2017/2018
Report of:	Deputy Chief Executive
Cabinet member:	Councillor Bill Giles (Cabinet Member for Finance)
Ward(s):	All
Purpose of report:	To explain the Council’s financial performance in 2017/2018 and outline the impact on the Council’s current financial position.
Decision type:	Key
Officer recommendation(s):	<ol style="list-style-type: none">(1) Agrees the financial position on the General Fund, Housing Revenue Account and Collection Fund accounts for 2017/2018.(2) Confirms the allocation of Reserves at 31 March 2018 shown in paragraph 2.9(3) Agrees the Capital Programme outturn for 2017/2018 as shown in Appendix 2.(4) Approves the updated 2018/2019 Capital Programme set out in Appendix 3.(5) Approves the write-off of irrecoverable debts noted in paragraph 4.5.
	Recommends to Council
	<ol style="list-style-type: none">(6) That the Annual Treasury Management Report for 2017/2018 (Appendix 4) be approved.
Reasons for recommendations:	<ol style="list-style-type: none">(1) At the end of the financial year, Cabinet should review the impact of the financial performance on its current financial position, determine the level of Reserves available for use and variations, if any, which may be required to the revenue budget or capital programme.(2) The Council’s Treasury Management function deals with very large value transactions on a daily basis. It is essential that the Council is satisfied that appropriate controls are in place and in accordance with the Code of Practice on Treasury Management in the Public Services (the Code) prepared by CIPFA (the Chartered Institute of

Public Finance and Accountancy) and adopted by the Council. The Code requires the Council to receive an Annual Treasury Management Report at the end of each financial year.

Contact Officer(s): **Name:** **Steve Jump**
 Post title: **Deputy Head of Finance**
 E-mail: **steve.jump@lewes-eastbourne.gov.uk**
 Telephone number: **01273 085257**

1 Introduction

1.1 The Council's 2017/2018 Accounts have now been closed and are currently subject to audit by the Council's external auditor, BDO. When it meets on 17 July 2018, the Audit and Standards Committee will be asked to approve the Statement of Accounts 2017/2018 and to delegate authority to the Deputy Chief Executive to make any final changes proposed by BDO.

1.2 The Accounts and Audit Regulations 2015 require the Deputy Chief Executive and councillors to certify and approve an audited set of accounts for publication by no later than 31 July. This timescale is shorter than previous years by two months and is extremely challenging. The Regulations required draft accounts to be released to BDO and made available for inspection by 31 May, a month sooner than previously. A delay in receiving valuation information from an external valuer combined with additional pressures resulting from the implementation of a new corporate finance system prevented draft accounts from being released by the deadline. At the time of writing this report the final stages of work were being completed ahead of releasing complete draft accounts to BDO.

2 General Fund 2017/2018

2.1 The General Fund year end position for 2017/2018 is in line with the forecast made when updating the Medium Term Financial Strategy at the time of preparing the 2018/2019 budget, and with the quarterly performance reports made to Cabinet during the course of the year.

2.2 Table 1 shows the final net expenditure/income for 2017/2018 analysed by management area, the format used in the Quarterly financial performance reports to Cabinet during the year.

Table 1 - General Fund Services Net expenditure

(a)	(b) 2017/18 budget £'000	(c) 2017/18 actual £'000	(d) = (c)– (b) variance £'000
Management area			
Director of Regeneration and Planning	361	48	(313)
Director of Service Delivery	8,209	8,515	306
Director of Tourism	663	591	(72)
Deputy Chief Executive	4,533	5,036	503
Corporate costs and income	685	1,634	949
Netting off of Central Support Services recharges included above	(3,303)	(3,855)	(552)
Net cost of Service provision	11,148	11,969	821

2.3 Table 1 indicates that net spending on services was £821,000 more than budgeted. Details of each service are given at Appendix 1. Table 2 below summarises the variations which led to the overall net increase in cost against budget. The key variations are consistent with those reported to Cabinet in the Quarterly Finance reports through the year. Those reports noted that trends in housing benefit awarded and the associated Government subsidy receivable can have a net impact on the General Fund: in 2017/2018, the net budget variation, £0.283m, was less than 1% of the total value of benefits awarded, £5.918m.

Table 2 - General Fund summary of variations

	£'000	£'000
One-off costs associated with voluntary severance	535	
Temporary staff pending JTP transition	832	
Recharge to HRA re above	(363)	
Net increase in employee costs		1,004
Additional expenditure:		
- Recycling incl cost of rolling out co-mingled collection	368	
- JTP (net of HRA share)	439	
- Housing Benefits	283	
- Commercial and industrial estate premises costs	199	
- Business Rates income maximisation commission	65	
- Legal action costs	97	
		1,451
Reduced Service income:		220
Sub-total to next page		2,675

Sub-total from previous page	£'000	£'000
		2,675
Reduced Service expenditure		
- Temporary accommodation	(64)	
- Newhaven Enterprise Zone start up	(63)	
- Other services	(105)	
- Reserve funded projects deferred to 2018/19	<u>(229)</u>	(461)
Increased Service income		
- Specific Govern't grants & contributions net of use	(340)	
- Waste Collection including Green Waste	(189)	
- CIL income administration share	(132)	
- Car Parking	(59)	
- Taxi Licensing	(56)	
- Other Services	<u>(188)</u>	(964)
Service Priority, transition and capital finance budgets not called on		(429)
Total		<u>821</u>

2.4 In addition to spending on services, contributions to Reserves were made in 2017/2018 as shown in Table 3. Further details are given in Table 5.

Table 3 – Contributions to Reserves

(a)	(b) 2017/2018 Budget £'000	(c) 2017/2018 Actual £'000	(d) =(c) – (b) Variance £'000
Net cost of Service provision	11,148	11,969	821
Net Transfers to Reserves	704	601	(103)
Total cost to be Financed	11,852	12,570	718

2.5 The £103,000 reduction in the net amount transferred to Reserves shown in Table 3, comprises £740,000 additional transfers into Reserves (primarily the result of transferring resources between the revenue budget and capital programmes to match expenditure and the transfer of Government grants received in 2017/18 ahead of future years' spending) offset by £843,000 increased use (primarily due to the costs associated with the JTP programme and rollout of a co-mingled recycling service).

2.6 Table 4 shows the sources of General Fund financing in 2017/2018.

Table 4 - General Fund financing

(a)	(b) 2017/2018 Budget £'000	(c) 2017/2018 Actual £'000	(d) =(c) – (b) Variance £'000
Retained Business Rates	(1,331)	(1,572)	(241)
Non-specific Government Grants	(3,165)	(3,673)	(508)
Council Tax	(7,356)	(7,356)	0
Total Financing	(11,852)	(12,601)	(749)

2.7 Income from retained business rates, including Government grants received as compensation for the impact of Government measures which reduced the rates that businesses pay (eg small business rates relief) was £241,000 more than budgeted. This benefit to the General Fund is largely transitional, however, with the deficit on the Business Rates Collection Fund at the end of year being higher than anticipated (see paragraph 4.2 below). The additional income from Government Grants stemmed from higher amounts of reliefs and discounts awarded to business ratepayers than anticipated at the beginning of the year, the cost of which is reimbursed to the Council. In order to smooth business rates movements between years, this additional grant income (£453,000) has been added to the Strategic Change Reserve along with the saving in tariff payable to the Government compared with the budgeted amount, £140,000.

2.8 The overall net movement between costs to be financed and available financing is a surplus of £31,000 as shown in Table 5. This surplus is added to General Fund uncommitted reserve.

Table 5 - General Fund financing

(a)	(b) 2017/2018 Budget £'000	(c) 2017/2018 Actual £'000	(d) =(c) – (b) Variance £'000
Total cost to be Financed	11,852	12,570	718
Total Financing	(11,852)	(12,601)	(749)
Net movement	0	(31)	(31)

2.9 General Fund Reserves

Table 6 lists the contributions to and use of each General Fund Reserve in 2017/2018, and the balance held at the end of the year. It also identifies the anticipated movement on each Reserve in 2018/2019, reflecting the approved General Fund budget and the capital programme (see below). Use of the Asset Maintenance Reserve in 2018/2019 has been increased by £73,000 to finance a phased programme of revenue repairs at the indoor leisure facilities for which the Council is responsible as landlord.

Table 6 - Reserves 2017/2018 and 2018/2019 projection

Ref	Reserve	Balance at 1 April 2017	Contribution/transfer 2017/2018	Use 2017/2018	Balance at 31 March 2018	Contribution/transfer 2018/2019	Use 2018/2019	Projected Balance at 31 March 2019
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
	General Fund							
1	Strategic Change	(3,668)	(2,711)	3,029	(3,350)	(874)	1,839	(2,385)
2	Asset Maintenance	(2,591)	(343)	266	(2,668)	(283)	1,643	(1,308)
3	Vehicle and Equipment Replacements	(2,591)	772	374	(1,445)	(320)	577	(1,188)
4	Economic Regeneration	(274)	(80)	54	(300)	(373)	0	(673)
5	Revenue Grants and Contributions pending use	(400)	(191)	195	(396)	0	0	(396)
6	Unallocated Reserve	(2,288)	(31)	0	(2,319)	0	0	(2,319)
7	General Fund Total	(11,812)	(2,584)	3,918	(10,478)	(1,850)	4,059	(8,269)

3 Housing Revenue Account 2017/2018

3.1 As shown in Table 7 the HRA outturn for 2017/2018 was a net cost of £933,000. At the time that the budget was set, a break-even position was projected, excluding an appropriate share of costs associated with the JTP project which would be made when the Council's overall JTP costs could be reasonably apportioned between the General Fund and HRA. The HRA holds a 'Special Projects' contingency within its overall reserve balance, and it was intended to utilise that contingency to finance the JTP costs. With the conclusion of JTP Phase 2 that position has now been reached and an apportionment of £1,020,000 of all costs incurred to date has now been made. This includes both capital expenditure (IT software, hardware, system implementation, telephony, etc) and revenue expenditure (consultancy, employee severance costs, etc). As planned, all HRA JTP costs have been financed from the Special Projects contingency. Table 8 summarises the main variations compared with that projection.

Table 7 - Housing Revenue Account Summary 2017/2018

(a) Service area	(b) 2017/18 budget £'000	(c) 2017/18 actual £'000	(d) = (c)-(b) variance £'000
Income:			
Rents	(15,224)	(15,245)	(21)
Service charges	(1,231)	(1,208)	23
Contributions towards expenditure	(200)	(244)	(44)
	<u>(16,655)</u>	<u>(16,697)</u>	<u>(42)</u>
Expenditure:			
Repairs and maintenance	4,892	5,130	238
Supervision and Management	1,708	1,452	(256)
Special Services eg sheltered	1,382	1,227	(155)
Rents, rates, etc	245	268	23
Provision for debt repayment	807	807	0
HRA share of corporate costs	576	846	270
Net interest and debt management	1,872	1,806	(66)
	<u>11,482</u>	<u>11,536</u>	<u>54</u>
Net cost of Service provision	(5,173)	(5,161)	12
JTP capital expenditure	0	626	626
Transfer to Major Repairs Reserve	5,173	5,468	295
Net cost for year	(0)	933	933
JTP costs above financed from Special Projects element of HRA Reserve	0	(1,020)	(1,020)
Net credit (to be added to Special Projects element of HRA Reserve)	0	(87)	(87)

Table 8 - HRA variations

	£'000	£'000
Increased income		
- rents	(22)	
- contributions	(46)	
- interest receivable	<u>(22)</u>	(90)
Increased expenditure		
- employees including support services	112	
- allowance for uncollectable rents	36	148
Reduced expenditure		
- Repairs and replacements	(171)	
- Grounds maintenance, cleaning, environmental enhancements	(48)	
- external advice	(95)	
- interest payments	(40)	(354)
JTP		
- capital expenditure financing	626	
- employee costs	168	
- corporate recharges	<u>226</u>	1,020
Increase in contribution to Major Repairs Reserve		295
Miscellaneous net variations		<u>(86)</u>
Total variation		933

3.2 The contribution to the Major Repairs Reserve is calculated in accordance with accounting guidance and is based on the depreciation of the various components of the housing stock (windows, bathrooms, heating systems, etc) over time. The total contribution made is higher than the original budget to reflect the current cost of replacing these components. This increase is consistent with the projection made at the time of setting the 2018/2019 HRA budget. The Major Repairs Reserve is used to fund capital expenditure. The movements in the Major Repairs Reserve are shown in Table 9.

Table 9 – Major Repairs reserve

		£'000
1	Balance 1 April 2017	(4,934)
2	Used for capital expenditure in year	4,370
3	Contributions from Revenue in year	(5,468)
4	Balance 31 March 2018	(6,032)

3.3 The overall change in the Housing Revenue Account Reserve in 2017/2018 was a reduction of £933,000. The balance in the Reserve at 31 March 2018 is £1,939,000. Table 10 identifies the components of the balance. The Special Projects element of the balance will continue to provide funding in 2018/2019 for costs of the Council's Joint Transformation Programme which can be attributed to the HRA.

Table 10 - HRA Balance

		1 April '17 £'000	In year £'000	31 Mar '18 £'000
1	General Working Balance	(1,500)	0	(1,500)
2	Special Projects	(1,097)	933	(165)
3	Self Insurance	(275)	(0)	(275)
4	Total	(2,872)	933	(1,939)

4 Collection Fund 2017/2018

4.1 The actual balance on the Council Tax Collection Fund at 31 March 2018 was a surplus of £0.781m, compared with a surplus of £0.839m which had been estimated at the time of setting the Council Tax for 2018/2019. This positive variation, at less than 0.1% of income, reflects growth in the taxbase, changes in entitlement to discounts and a decrease in the value of Council Tax Reduction Scheme awards compared with the projection. The variation is well within the acceptable level of tolerance given that the total annual amount of Council Tax due was £67.9m. The earliest that this additional surplus can be distributed is during 2019/2020. The distribution would be between Lewes District Council, East Sussex County Council, East Sussex Fire Authority and the Sussex Police and Crime Commissioner, based on 2018/2019 Council Tax amounts. Approximately 15% of the surplus will be returned to this Council.

4.2 The actual balance on the Business Rates Collection Fund at 31 March 2018 was a deficit of £1.949m (of which this Council's share will be £0.779m) compared with a deficit of £0.780m which had been estimated at the time of setting the 2018/2019 budget. This increased deficit is largely the result of increases in transitional, mandatory charitable and empty property relief being awarded, as well as increased provisions for non-collectable debt and the settlement of appeals against the 2017 rating list. Additional growth in business rates income within the Newhaven Enterprise Zone was £0.398m. This growth is top-sliced from total business income in 2017/2018 (increasing the overall Collection Fund deficit) and will pass to the Council in 2018/19 for an investment programme to be discussed with the LEP.

5 Debts Written Off 2017/2018

5.1 Financial Procedure Rules authorise the Deputy Chief Executive to write-off a debt which is below £10,000 or where the amount involved is claimable in bankruptcy or liquidation proceedings. Cabinet or Council approval is required to write off a single debt in excess of £10,000 or £50,000 respectively. It is important to ensure that only those debts for which a realistic prospect of recovery exists remain active, and the Council's external auditor can be expected to review this as part of the statutory audit of accounts. There is nothing to prevent the Council from reinstating a debt, following its write-off, if new information comes to light about the debtor's circumstances.

5.2 Table 11 summarises the amounts written off in total when action to recover individual debts has proved to be unsuccessful or uneconomic to pursue. Any case in excess of £10,000 was approved by Cabinet during the course of the year.

Table 11 – Amounts written off

	Total value £
Sundry debtors	43,810
Housing Benefit overpayments	211,900
Housing Rents	19,010
Council Tax	45,480
Business Rates	102,120
Total	422,320

6 Capital Programme 2017/2018 and 2018/2019

6.1 The Capital Programme is an allocation of resources (principally capital receipts from the sale of assets, grants or contributions received with specific conditions attached, and reserves) to projects relating to the major repair, enhancement or purchase of long-term assets. In many cases these projects will span financial years.

6.2 Table 12 summarises the final position of the 2017/2018 Capital Programme. Appendix 2 gives a detailed analysis.

Table 12 - Capital Programme 2017/2018 Summary

	£'000
Original allocation for year	14,679
Variations agreed in year including allocations c/fwd from 2017/18	11,754
Revised allocation for the 2017/2018 year and beyond	26,433
Further variations (explained in paragraph 6.3)	(675)
Final allocation	25,758
Less: Actual spend in 2017/18	(9,555)
Remaining allocations to be used in 2018/19 and beyond	<u>16,203</u>

6.3 In some cases, further variations to the allocations previously agreed during 2017/2018 are necessary. Details of the most significant changes noted on Appendix 2 are shown in Table 13:

Table 13 - 2017/2018 Capital Programme variations

HRA Capital Programme	
Line 2	New Homes – the construction of new homes on former garage sites was completed in 2017/18 with a small underspend against the allocation. A provision of £185,000 had been made to enable the re-purchase of homes sold under Right to Buy. No suitable opportunity arose in 2017/18.
Line 3	Improvements to stock - there are a number of amendments to individual elements of the programme (increased spend on fire precaution works and kitchen/bathroom replacements, reduced spend on heating system replacements and engineering works to roads and footpaths, etc) which has been managed as a whole and in conjunction with the revenue budget for planned and responsive repairs. The net variation represented a reduction of just over 7% against the £6.3m total value of the programme. This results in a reduced call on the Major Repairs Reserve with the unused financing carried forward.
General Fund Capital Programme	
Line 14	North Street Quarter – an increase in the allocation is required to match the timing of expenditure incurred on this project.
Lines 15 and 18	Joint Transformation Programme/IT Equipment Replacement – a transfer has been made between these two inter-related allocations to reflect the actual nature of expenditure incurred.
Line 16	Waste and Recycling Review – a reduction in the allocation is necessary to finance the cost of revenue expenditure incurred in rolling out changes to the Recycling service.
Line 19	Coastal Defence: New Forest District Council is the lead authority for a programme of coastal monitoring in South East England. Costs, which are funded by DEFRA, are apportioned between local authorities in the region pro-rata to the length of coastline. This Council's share for 2017/18 was £49,000.

6.4 The Capital Programme for 2018/2019 (Appendix 3) has been updated to include the amounts brought forward from 2017/2018. Proposed variations to the 2018/2019 programme comprise:

- Robinson Road (line 26): an allocation of £170,000 is required to ensure that the site is safe and secure and fit for purpose following the changes in the Recycling service.
- Asset Management (line 29): a minor increase is made to the allocation following the receipt of tenders for work to be carried out at Lewes Cemetery Chapel.
- Coastal Defence Works (line 36): an allocation is made for the expected cost of the coastal monitoring programme led by New Forest District Council (see above).

7 Treasury Management

7.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services Code and complies with its requirements, one of which is that the Council should receive an Annual Treasury Management Report following the end of each financial year. This Report also includes the results of the various indicators which the Council sets each year in accordance with the Prudential Code for Capital Finance in Local Authorities.

7.2 The Annual Report for 2017/2018 is attached at Appendix 4. The Audit and Standards Committee will consider the report at its meeting on 17 July 2018. Cabinet is asked to recommend that Council approves the Annual Report, subject to any appropriate comments that the Audit and Standards Committee may wish to make.

8 Corporate plan and council policies

There are no implications for the Council plan or council policies arising from this report.

7 Financial appraisal

This is addressed in the paragraphs above.

8 Legal implications

There are no legal implications arising from this report.

9 Risk management implications

There are no legal implications arising from this report.

10 Equality analysis

This is a routine report for which detailed Equality Analysis is not required to be

undertaken. The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports.

11 Appendices

Appendix 1 – General Fund expenditure and income 2017/2018: service analysis

Appendix 2 – Capital Programme 2017/2018

Appendix 3 – Updated Capital Programme 2018/2019

Appendix 4 – Annual Treasury Management Report 2017/2018

12 Background papers

Treasury Strategy Statement 2017/2018

Lewes District Council Draft Statement of Accounts 2017/2018 (subject to audit)

	Budget £'000	Actual £'000	Variance £'000
Director of Regeneration and Planning			
Assets and Property			
: Investment Properties	(518)	(392)	126
: Industrial Estates	(669)	(547)	122
: Public Conveniences	222	228	6
: Car Parking	(409)	(457)	(48)
: Office Accommodation	448	406	(42)
: Solar Panel installations	(154)	(183)	(29)
: Depots	116	145	29
Sub-total	<u>(964)</u>	<u>(800)</u>	<u>164</u>
Planning			
: Development Control	(847)	(914)	(67)
: Planning Policy	105	19	(86)
: Planning Policy - Conservation	0	0	0
Sub-total	<u>(742)</u>	<u>(895)</u>	<u>(153)</u>
Regeneration			
: Economic Development	323	181	(142)
: Newhaven Enterprise Centre	(160)	(190)	(30)
: Property Portfolio/Regeneration	0	97	97
: Street Naming	7	(6)	(13)
Sub-total	<u>170</u>	<u>82</u>	<u>(88)</u>
Salaries and Administration			
: Property	431	544	113
: Strategic Policy	457	247	(210)
: Planning	776	661	(115)
: Salaries, management, admin costs	233	209	(24)
Sub-total	<u>1,897</u>	<u>1,661</u>	<u>(236)</u>
Director total	<u>361</u>	<u>48</u>	<u>(313)</u>
Director of Service Delivery			
Community			
: Building Control	(317)	(271)	46
: Regulatory Services - Travellers sites	17	17	0
: Community Safety	20	4	(16)
: Voluntary Sector Support	219	209	(10)
: Town and Parish Council grant	171	171	0
Sub-total	<u>110</u>	<u>130</u>	<u>20</u>
Environmental Health and Licensing			
: Regulatory Services - Licensing	(186)	(259)	(73)
: Regulatory Services - Public Health	36	31	(5)
: Regulatory Services - Food Safety	3	6	3
: Regulatory Services - Environmental Protection	21	15	(6)
: Regulatory Services - Health and Safety	11	23	12
: Regulatory Services - Port Health	2	1	(1)
: Regulatory Services - Animal and Pest Control	30	24	(6)
: Coast Protection	15	5	(10)
: Flood Defence	145	89	(56)
: Cemeteries	(31)	(24)	7
Sub-total	<u>46</u>	<u>(89)</u>	<u>(135)</u>
Housing (General Fund)			
: Homelessness	99	(148)	(247)
: Housing Strategy, Enabling and Advice	60	62	2
: Private Sector Housing Renewal	1	0	(1)
: Contributions to the HRA re shared items	159	156	(3)
: Housing Benefit Administration	101	64	(37)

	Budget £'000	Actual £'000	Variance £'000
: Housing Benefit	(462)	(179)	283
Sub-total	<u>(42)</u>	<u>(45)</u>	<u>(3)</u>
Local Taxation			
: Council Tax Support Scheme Mgt	15	10	(5)
: Local Tax Collection - Council Tax	(52)	(102)	(50)
: Local Tax Collection - Business Rates	(133)	(83)	50
Sub-total	<u>(170)</u>	<u>(175)</u>	<u>(5)</u>
Parks and Playing Fields			
: Open Spaces	365	386	21
: Sports and Playing Fields	247	256	9
Sub-total	<u>612</u>	<u>642</u>	<u>30</u>
Waste and Recycling			
: Recycling	752	1,120	368
: Waste Collection	829	706	(123)
: Street Cleansing	594	576	(18)
: Vehicle Workshop	0	26	26
Sub-total	<u>2,175</u>	<u>2,428</u>	<u>253</u>
Salaries and Administration			
: Customer Services - Planning Revenues and Benefits	1,257	1,372	115
: Housing and Environmental Health	2,621	2,728	107
: Hub, Mobile Team and Parks	1,240	1,173	(67)
: Waste and Recycling	360	351	(9)
Sub-total	<u>5,478</u>	<u>5,624</u>	<u>146</u>
Director total	<u>8,209</u>	<u>8,515</u>	<u>306</u>
Director of Tourism			
Tourism			
: Tourism	147	156	9
: Culture and Heritage: Arts Development	7	(4)	(11)
Sub-total	<u>154</u>	<u>152</u>	<u>(2)</u>
Wave Leisure			
: Culture and Heritage - Newhaven Fort	103	95	(8)
: Indoor Leisure - Wave	406	344	(62)
Sub-total	<u>509</u>	<u>439</u>	<u>(70)</u>
Director total	<u>663</u>	<u>591</u>	<u>(72)</u>
Deputy Chief Executive			
Corporate Services			
: Emergency Planning	24	23	(1)
: Organisational Development	120	748	628
: Treasury Management	55	42	(13)
: Local Land Charges	(86)	(94)	(8)
Sub-total	<u>113</u>	<u>719</u>	<u>606</u>
Democratic Services			
: Democratic Representation	270	271	1
: Electoral Registration	77	34	(43)
: Elections - LDC	8	11	3
: Elections - other	0	0	0
Sub-total	<u>355</u>	<u>316</u>	<u>(39)</u>
Salaries and Administration			
: Business Strategy and Performance	554	475	(79)

	Budget £'000	Actual £'000	Variance £'000
: Legal Services	423	441	18
: Finance	650	700	50
: Audit, Fraud and Procurement	266	251	(15)
: Democratic Services	368	348	(20)
: Information Technology	1,420	1,418	(2)
: HR service	254	288	34
: Recruitment and Training	130	80	(50)
Sub-total	<u>4,065</u>	<u>4,001</u>	<u>(64)</u>
Director Total	<u>4,533</u>	<u>5,036</u>	<u>503</u>
Corporate costs			
: Corporate Management	180	656	476
: CMT - Salaries, management, admin costs	501	399	(102)
: Interest payments and receipts	(180)	(120)	60
: Pensions accounting	229	520	291
: Service Priority budget and savings target	(432)	0	432
: Revenue financing of capital programme	210	1	(209)
: Provision for Debt Repayment	177	178	1
	<u>685</u>	<u>1,634</u>	<u>949</u>
Netting off of Central Support Services recharges included above	(3,303)	(3,855)	(552)
Net cost of Service provision	<u>11,148</u>	<u>11,969</u>	<u>821</u>
: Contributions to/from Reserves	704	601	(103)
Total cost to be financed	<u>11,852</u>	<u>12,570</u>	<u>718</u>
Financing			
: Council Tax	(7,356)	(7,356)	0
: Retained Business Rates	(1,331)	(1,572)	(241)
: Government Grants	(3,165)	(3,673)	(508)
Use of Balance	0	0	0
Total Financing	<u>(11,852)</u>	<u>(12,601)</u>	<u>(749)</u>
Net variation	0	(31)	(31)

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THE CAPITAL PROGRAMME 2017/2018

APPENDIX 2

Line	SUMMARY	Initial Allocation 2017/18	Variations previously agreed	Year end adjustments	Budget c/fwd to 2018/19	Final Allocation 2017/18
1	HRA HOUSING INVESTMENT CAPITAL PROGRAMME	£	£	£	£	£
2	New Homes	283,800	1,626,200	(172,730)	(1,341,150)	396,120
3	Improvements to Stock	5,182,500	1,158,830	(465,220)	(1,522,380)	4,353,730
4	Saxonbury		1,500,000		(1,485,490)	14,510
5	Recreation & Playareas	50,000	12,960		(44,240)	18,720
6	Room in Roof Conversions	165,000	201,940		(366,940)	
7	TOTAL HRA HOUSING INVESTMENT CAPITAL PROGRAMME	5,681,300	4,499,930	(637,950)	(4,760,200)	4,783,080
8	GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME					
9	Private Sector Housing Support	135,000	23,120		(109,900)	48,220
10	Mandatory Disabled Facilities Grants	840,000	485,630		(614,410)	711,220
11	TOTAL GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME	975,000	508,750		(724,310)	759,440
12	GENERAL FUND CAPITAL PROGRAMME					
13	Commercial Property Acquisition and Development	4,970,000	(1,848,000)		(2,579,710)	542,290
14	North Street Quarter		100,000	251,940	(99,000)	252,940
15	Joint Transformation Programme		1,541,770	(336,070)	(212,170)	993,530
16	Waste & Recycling Review	1,800,000		(132,780)	(907,490)	759,730
17	Vehicle, Plant & Equipment Replacement Programme	183,000	153,000		(200,120)	135,880
18	IT Equipment Replacement Programme	50,000	259,400	77,630		387,030
19	Coastal Defence Works		118,860	51,570	(107,810)	62,620
20	Flood Alleviation Project	136,000			(51,800)	84,200
21	Newhave Enterprise Centre - Boiler Works		9,500		(9,500)	
22	Newhaven Fort (Major Repairs & Improvements)	50,000	207,400		(160,140)	97,260
23	Indoor Leisure Facilities - Major repairs and improvements	250,000	6,160	5,410	(188,320)	73,250
24	Parks, Recreation, Play Areas	394,000	400,310	4,740	(620,660)	178,390
25	Property Assets Major Works	190,000	665,170	41,380	(581,420)	315,130
26	Community Infrastructure		131,720	(1,440)		130,280
27	LHIC/Aspiration Homes - loans to facilitate delivery of new homes		5,000,000		(5,000,000)	
28	TOTAL GENERAL FUND CAPITAL PROGRAMME	8,023,000	6,745,290	(37,620)	(10,718,140)	4,012,530
29	TOTAL OVERALL CAPITAL PROGRAMME	14,679,300	11,753,970	(675,570)	(16,202,650)	9,555,050
30	CAPITAL PROGRAMME FUNDING					
31	Borrowing					938,860
32	Capital Receipts					397,390
33	Reserves					6,335,920
34	Capital Grants					892,720
35	Section 106 Contributions					80,980
36	Other Capital Contributions					105,650
37	Capital Expenditure Financed from Revenue (General Fund)					85,200
38	Capital Expenditure Financed from Revenue (Housing Revenue Account)					588,060
39	CIL Contributions					130,270
40	TOTAL CAPITAL PROGRAMME					9,555,050

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Line	SUMMARY	Approved Programme 2018/19	B/F 2017/18	Variations to approve	Proposed Programme 2018/19
1	<u>HRA HOUSING INVESTMENT CAPITAL PROGRAMME</u>	£	£		£
2	Construction of New Dwellings		1,341,150		1,341,150
3	Buy-back of Properties sold Through Right to Buy	200,000			200,000
4	Saxonbury Redevelopment		1,485,490		1,485,490
5	Improvements to Stock	5,079,000	1,522,380		6,601,380
6	Recreation & Playareas	50,000	44,240		94,240
7	Conversions & Additional Rooms in Roof	165,000	366,940		531,940
8	TOTAL HRA HOUSING INVESTMENT CAPITAL PROGRAMME	5,494,000	4,760,200		10,254,200
9	<u>GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME</u>				
10	Private Sector Housing Support	135,000	109,900		244,900
11	Mandatory Disabled Facilities Grants	920,000	614,410		1,534,410
12	TOTAL GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME	1,055,000	724,310		1,779,310
13	<u>GENERAL FUND CAPITAL PROGRAMME</u>				
14	LHIC/Aspiration Homes - loans to facilitate delivery of new homes	15,000,000	5,000,000		20,000,000
15	JTP		212,170		212,170
16	Regeneration				
17	Commercial Property Acquisition & Development	4,000,000	1,233,320		5,233,320
18	North Street Quarter	3,400,000			3,400,000
19	Asset Deveopment Newhaven	1,000,000	98,260		1,098,260
20	Sutton Road - Seaford	1,300,000	183,100		1,483,100
21	Turkish Baths, Lewes (Refurbishment)		171,810		171,810
22	19-21 Cradle Hill, Seaford		73,990		73,990
23	Denton Island Commercial Development		530,000		530,000
24	Springman House		99,000		99,000
25	North Street Commercial Property Acquisition/ Development		289,230		289,230
26	Robinson Road Enabling Works			170,000	170,000
27	Construction of Avis Way Depot, Newhaven				
28	Newhaven Enterprise Centre (Boiler Works)		9,500		9,500
29	Asset Management	505,000	929,880	5,800	1,440,680
30	Community Infrastructure				
31	Service Delivery				
31	Vehicle & Plant Replacement Programme	156,000	200,120		356,120
32	Waste	71,000	907,490		978,490
33	Specialist				
33	Tree survey Works	10,000			10,000
34	Air Quality Monitoring Station Newhaven	80,000			80,000
35	Flood Protection Measures	136,000	51,800		187,800
36	Coastal Defence Works		107,810	50,000	157,810
37	Parks, Pavillions etc - Remedial works	50,000	620,660		670,660
38	IT	150,000			150,000
39	TOTAL GENERAL FUND CAPITAL PROGRAMME	25,858,000	10,718,140	225,800	36,801,940
40	TOTAL OVERALL CAPITAL PROGRAMME	32,407,000	16,202,650	225,800	48,835,450
41	CAPITAL PROGRAMME FUNDING				
42	Borrowing				34,704,430
43	Capital Receipts				1,018,690
44	Reserves				10,485,840
45	Capital Grants				1,836,720
46	Section 106 Contributions				347,070
47	Other Capital Contributions				93,300
48	Capital Expenditure Financed from Revenue (General Fund)				187,800
49	Capital Expenditure Financed from Revenue (Housing Revenue Account)				161,600
50	CIL Contributions				
51	TOTAL CAPITAL PROGRAMME				48,835,450

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Lewes District Council**Annual Treasury Management Report 2017/2018****Contents**

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1. Background

1.1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury management report. The report must review treasury management activities and set out the final position of the Council's Treasury Prudential Indicators. This report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

1.2 The Council defines its Treasury Management activities as:

“the management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.3 The Council agreed its Treasury Management Strategy Statement and Investment Strategy 2017/2018 to 2019/2020 at its meeting in February 2017.

2. Overall Summary of Activity 2017/2018

2.1 The table below lists the key elements of the 2017/2018 Strategy and records actual performance against each one of them.

Key Element	Target in Strategy	Actual Performance	
Borrowing			
Underlying need to borrow (CFR) at year end	£84.016 million	£77.214 million	-
Internal borrowing at year end	£27.343 million	£20.541 million	-
New external long-term borrowing in year	None anticipated	None undertaken	✓
Debt rescheduling in year	Review options but not anticipated	Options kept under review, none undertaken	✓
Interest payments on external borrowing	£1.730 million	£1.724 million	✓
Investments			
Minimum counterparty credit ratings for unsecured investments	Long-term BBB+ (does not apply to Government and other local authorities which have the highest ratings)	At least Long-term A	✓
Interest receipts from external investments	£0.104m	£0.068m	-
Appointment of Investment Consultants			
Independent Treasury Adviser to be retained	Arlingclose to be retained as Treasury Adviser	Arlingclose retained as Treasury Adviser	✓

Key Element	Target in Strategy	Actual Performance	
Reporting and Training			
Reports to be made to Audit and Standards Committee and Cabinet	Every regular meeting	Every regular meeting.	✓
Briefing sessions for Councillors and Staff	Treasury Adviser to provide	Staff training September 2017	-

2.2 For those who are looking for more than this overall confirmation that all treasury management and investment activity in 2017/2018 has been carried out in accordance with the Council's agreed Strategy, the remainder of this report explores each of the key elements in more depth. Appendix A gives details of the final position on each of the Prudential Indicators, and Appendix B explores the Economic Background to the year's activity. A Glossary appears at the end of the document to explain technical terms which could not be avoided when writing this report.

3. Detailed Analysis – Borrowing

- 3.1 Other than for temporary cash flow purposes, local authorities are only allowed to borrow to finance capital expenditure (e.g. the purchase of property, vehicles or equipment which will last for more than one year, or the improvement of such assets). The Government limits the amount borrowed by local authorities for housing purposes only by specifying 'debt caps'. This Council's underlying debt cap has been fixed at £72.931m. In 2014/2015 local authorities were able to bid for an increase in the housing debt cap in order to enable specific projects. A bid from this Council was successful and the debt cap has been increased to £75.248m to match expenditure incurred in building new houses on specified former garage sites.
- 3.2 In accounting terms, the underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR) while usable reserves and working capital are the underlying resources available for investment below their underlying levels, known as internal borrowing, and this remained the Strategy for 2017/2018.
- 3.3 The CFR is, in simple terms, the amount of capital expenditure which has been incurred by the Council but which has not yet been paid for (by using, for example, grants, capital receipts, reserves or revenue income) and in the meantime is covered by internal or external borrowing. 'External borrowing' is where loans are raised from the Public Works Loans Board (PWLB) or banks. Alternatively it is possible to 'internally borrow' the significant levels of cash which has been set aside in Balances and Reserves and which would otherwise need to be invested with banks or other counterparties.
- 3.4 As noted above, the level of CFR increases each year by the amount of unfinanced capital expenditure and is reduced by the amount that the Council sets aside for the repayment of borrowing. The original CFR projection for 2017/2018, the revised position reported at the time of producing the Treasury Strategy 2018/2019 (February 2018) and the final position for the year are shown in the table below. The variation between the revised and

final position reflects the changing profile of capital spend across financial years, particularly in respect of allocations in the capital programme in respect of facilitating loans to Lewes Housing investment Company and Aspiration Homes which were not called on in 2017/2018.

	2017/18 Original £m	2017/18 Revised £m	2017/18 Outturn £m
Opening CFR	79.580	77.042	77.042
Capital expenditure in year	14.556	26.424	9.903
Less financed	(8.983)	(15.669)	(8.616)
Less amount set aside for debt repayment	(1.137)	(1.315)	(1.115)
Closing CFR	84.016	86.482	77.214

3.5 The overall CFR can be split between the General Fund and Housing Revenue Account as follows:

CFR Component	2017/18 Revised £m	2017/18 Outturn £m
General Fund	19.556	12.088
Housing Revenue Account	66.926	65.126
Total	86.482	77.214

3.6 The following table compares the CFR with the amount that the Council holds in balances and reserves as well as working capital (day to day cash movements as well as grants, developer contributions and capital receipts held pending use).

	31/3/18 Revised £m	31/3/18 Outturn £m
(a) Capital Financing Requirement	86.482	77.214
(b) Actual external long-term borrowing	(56.673)	(56.673)
(c) Use of Balances and Reserves and working capital as alternative to borrowing (a)–(b)	29.809	20.541

3.7 The Council's long-term loan portfolio at 31 March 2018 was:

Lender	Interest	Amount £m	Rate %	Maturity
PWLB	Fixed	4.00	2.70	01/03/2024
PWLB	Fixed	5.00	3.30	01/03/2032
PWLB	Fixed	2.00	3.05	01/09/2027
PWLB	Fixed	2.00	2.76	01/09/2024
PWLB	Fixed	4.00	2.97	01/09/2026
PWLB	Fixed	5.00	3.28	01/09/2031
PWLB	Fixed	4.00	2.63	01/09/2023
PWLB	Fixed	5.00	3.44	01/03/2037
PWLB	Fixed	6.67	3.50	01/03/2042
PWLB	Fixed	5.00	3.43	01/09/2036
PWLB	Variable	5.00	0.62	28/03/2022
PWLB	Fixed	4.00	3.01	01/03/2027
	Sub-total	<u>51.67</u>		
Barclays	Fixed	5.00	4.50	06/04/2054
	Total	<u>56.67</u>		

- 3.8 In the table above the Barclays loan was taken out in April 2004 with a term of 50 years. In June 2016 the bank decided to permanently waive its contractual right to vary the interest rate on this loan, which was effectively fixed at the rate of interest applicable at that time, 4.5%.
- 3.9 Total interest paid on external long-term borrowing in the year was £1.724m, which was consistent with the revised budget for the year. No new long-term borrowing was undertaken. The Council remained eligible to access the Government's 'Certainty Rate' allowing the Council to borrow, had it been appropriate to do so, at a reduction of 0.2% on the Standard Rate.
- 3.10 Through the year, officers, supported by Arlingclose, monitored opportunities for the rescheduling of external loans and the possibility of repayment utilising cash balances that would otherwise be invested. No beneficial rescheduling opportunities were identified and the loan portfolio remained unchanged through the year.
- 3.11 As determined by the Council, two separate Loans Pools operated in 2017/2018, for the General Fund and HRA respectively. At 31 March 2018 the balance on internal loans from the General Fund to the HRA was £8.194m, a net reduction of £0.466m compared with the previous year (which comprised new lending of £0.341m as funding for the construction of new homes offset by a repayment of £0.807m). Interest was charged on internal borrowing at 1.03% (equivalent to a one-year maturity loan from the PWLB at the start of the financial year).
- 3.12 For cash flow purposes, temporary borrowing was undertaken on six occasions during the course of the financial year (with one loan carried over from 2016/2017). The maximum amount borrowed at any one time was £7m and the average rate of interest paid was 0.28%. No temporary loans were outstanding at 31 March 2018.

4. Detailed Analysis - Investments

4.1 The Council held an average of £18.6m as cash during the year. This comprised working cash balances, capital receipts, earmarked reserves and developer contributions held pending use.

4.2 The Council's general policy objective is to invest its surplus funds prudently. Throughout 2017/2018, the Council's investment priorities continued to be:

highest priority - security of the invested capital;

followed by - liquidity of the invested capital;

finally - an optimum yield commensurate with security and liquidity.

4.3 All of the Council's investments were managed in-house. Security of capital was maintained by following the counterparty policy set out in the Investment Strategy for 2017/2018. Investments made during the year included:

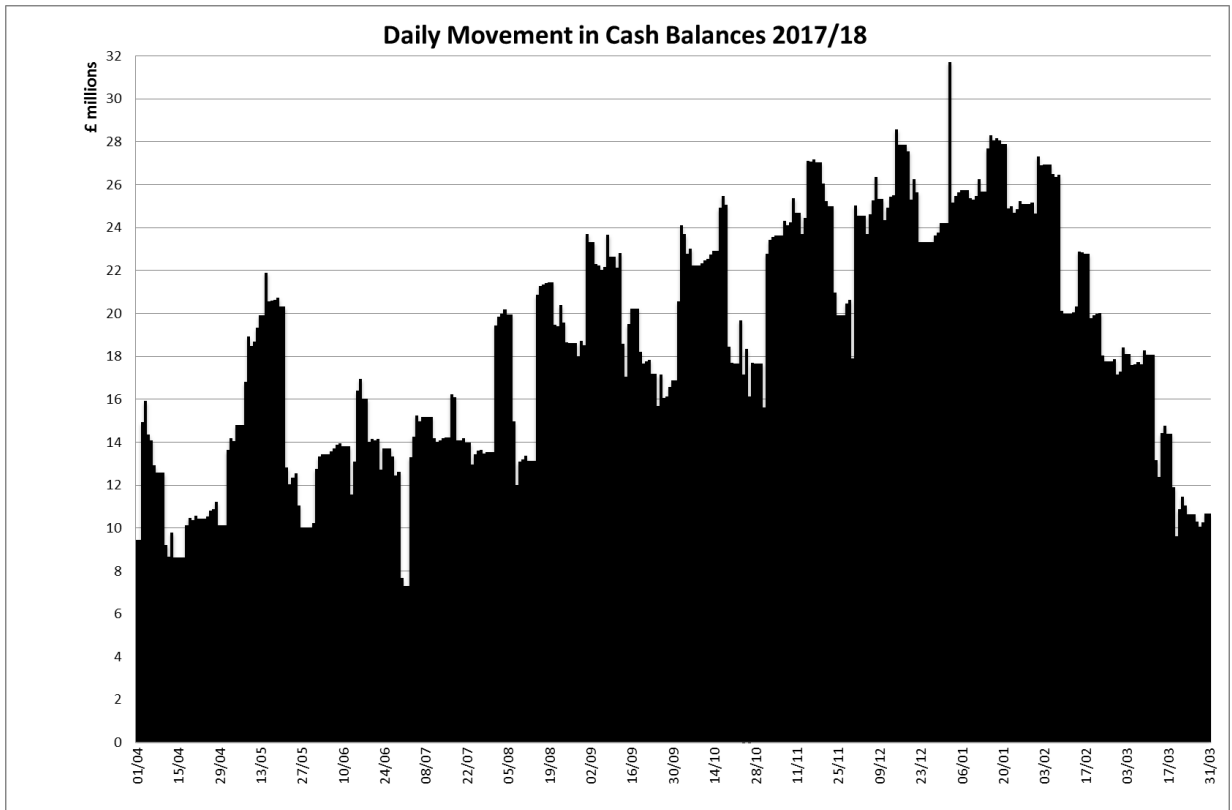
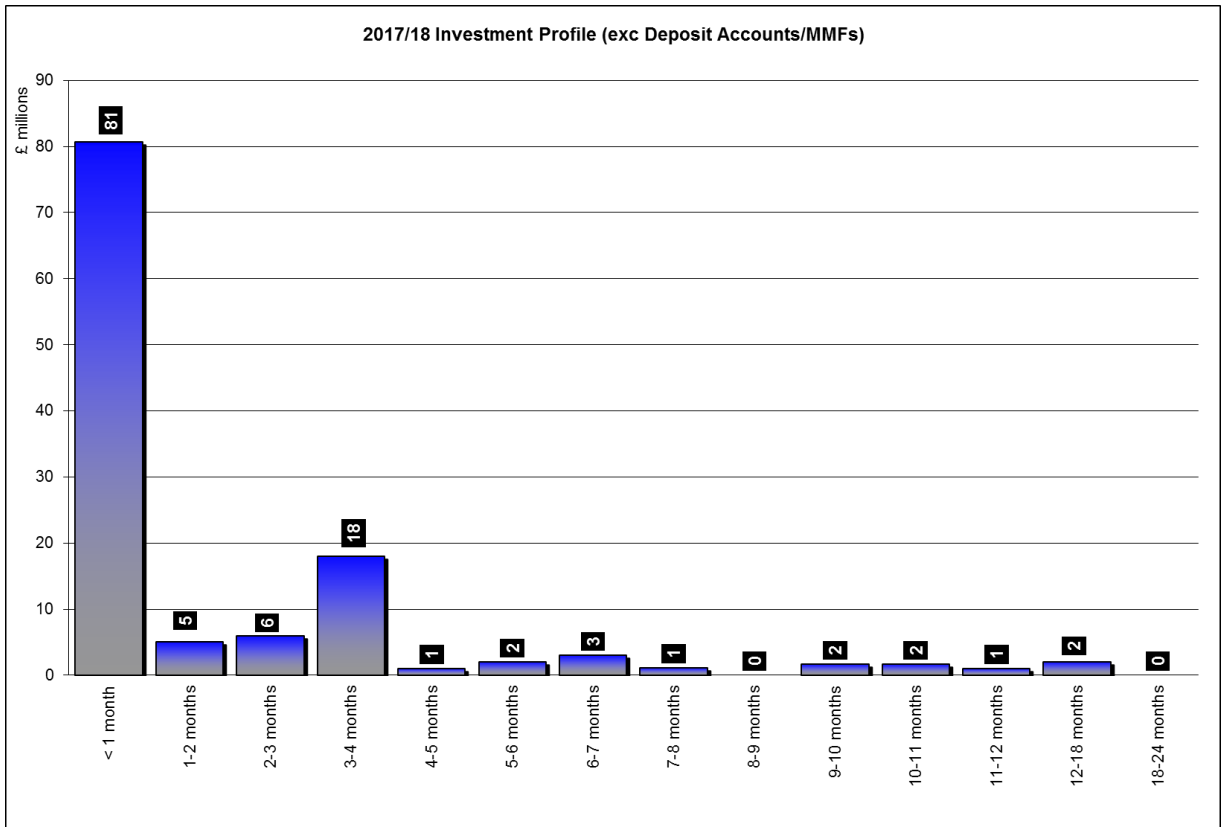
- Fixed Term Deposits with the Debt Management Office (total £69.5 million – 23 occasions)
- Fixed Term Deposits with other Local Authorities (total £19.2 million – 8 occasions)
- Fixed Term Deposits with UK Banks/Building Societies (total £8.0 million – 5 occasions)
- Investments in Money Market Funds (MMFs) (average balance held in year £4.55 million)
- United Kingdom Treasury Bills (total £9.0 million – 9 occasions)
- Tradable Investments - Floating Rate Notes, Certificates of Deposit, Bonds (total £8.7 million – 7 occasions)
- Deposit accounts with UK Banks (average balance held in year £1.13 million)
- Overnight deposits with the Council's banker, Lloyds Bank (average balance held in year £1.01 million)

4.4 Counterparty credit quality was assessed and monitored with reference to credit ratings (a minimum long-term counterparty rating of BBB+ across all three rating agencies Fitch, Standard and Poors, and Moody's applied); credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price.

4.5 In keeping with Government guidance on investments, the Council maintained a sufficient level of liquidity through the use of MMFs, overnight deposits and deposit accounts, the average balance held being £6.69 million.

4.6 A full list of investments (excluding deposit account or MMF transactions) made or maturing in the year is given at Appendix C. All investments were made with UK institutions, and no new deposits were made for periods in excess of one year. The first chart below gives an analysis of aggregate fixed term deposits by duration. The second chart shows how the total amount invested varied from day to day over the course of the year, from a low of

£7.3m to a high of £31.2m. The movement largely reflects the cycle of grant, council tax and business rate receipts and precept payments made.



- 4.7 The income return generated from investments in the year was £0.068 million, below the total budget for investment income, £0.104 million. This position arose as a result of the need to ensure the short-term availability of cash pending expenditure on projects within the approved capital programme (the longer duration of an investment, the higher the rate of return).
- 4.8 The average rate of return from investments at the end of each quarter in 2017/2018 is shown in the table below, along with comparative benchmark information, the 7-day LIBID rate.

Average rate of investments in:	Lewes District Council	7 day LIBID
Quarter 1 ending 30 June 2017	0.44%	0.11%
Quarter 2 ending 30 September 2017	0.41%	0.11%
Quarter 3 ending 31 December 2017	0.56%	0.28%
Quarter 4 ending 31 March 2018	0.47%	0.36%
Whole year 2017/2018	0.51%	0.21%

5. Counterparty Update

- 5.1 The most significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities.
- 5.2 Changes to credit ratings included Moody's downgrade of Standard Chartered Bank's long-term rating to A1 from Aa3 and the placing of UK banks' long-term ratings on review to reflect the impending ring-fencing of retail activity from investment banking (Barclays, HSBC and RBS were on review for downgrade; Lloyds Bank, Bank of Scotland and National Westminster Bank were placed on review for upgrade).
- 5.3 Standard & Poor's (S&P) revised upwards the outlook of various UK banks and building societies to positive or stable and simultaneously affirmed their long and short-term ratings, reflecting the institutions' resilience, progress in meeting regulatory capital requirements and being better positioned to deal with uncertainties and potential turbulence in the run-up to the UK's exit from the EU in March 2019. The agency upgraded Barclays Bank's long-term rating to A from A- after the bank announced its plans for its entities post ring-fencing.
- 5.4 Fitch revised the outlook on Nationwide Building Society to negative and later downgraded the institution's long-term ratings due to its reducing buffer of junior debt. S&P revised the society's outlook from positive to stable.
- 5.5 In February, Arlingclose advised against lending to Northamptonshire County Council (NCC). NCC issued a section 114 notice in the light of severe financial challenge and the risk that it would not be in a position to deliver a balanced budget.

6. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2017/2018. A detailed review of each of the Prudential Indicators is at Appendix A.

7. Investment Consultants

- 7.1 The Council appointed Arlingclose as its Treasury Adviser in 2012 following an open procurement. The agreement with Arlingclose was for an initial four-year term expiring on 30 June 2016, with the Council having the option to extend for a further year.
- 7.2 The Council exercised the option to extend this agreement to the end of June 2017 and following discussion with Arlingclose opted to maintain the appointment for a further year. A further year's extension is anticipated prior to a formal review of arrangements in conjunction with Eastbourne Borough Council given that a shared finance team (with treasury management responsibility) is being established.

8. Reporting and Training

- 8.1 The Deputy Chief Executive reported the details of treasury management activity to each regular meeting of the Audit and Standards Committee and Cabinet held in 2017/2018. A mid-term summary report was issued in November 2017.
- 8.2 The training needs of the Council's treasury management staff were reviewed as part of the annual corporate staff appraisal/training needs assessment process for all Council employees. Members of staff attended Arlingclose workshops alongside colleagues from other local authorities during 2017/2018.
- 8.3 In September 2017, Arlingclose met with Council officers with a role in treasury management both to explain developments within the sector, as well as review the Council's own investment and debt portfolios.
- 8.4 The Treasury Strategy had anticipated that Arlingclose would hold a local briefing session for all councillors tasked with treasury management responsibility, including scrutiny of the the treasury management function. It did not prove practicable for this session to take place, and the next councillor briefing is now expected to take place in autumn 2018.

9. Local Authority Regulatory Changes instigated in 2017/2018

- 9.1 Revised CIPFA Codes:
- i. CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. This timing precluded adoption of the required changes from the 2011 Code in the 2018/2019 Treasury Management Strategy which had already been drafted. Where relevant,

the changes will be incorporated into 2018/2019 monitoring reports. All changes will be fully implemented in the 2019/2020 Treasury Management Strategy.

- ii. The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. Where this strategy is produced and approved by full Council, the determination of the Treasury Management Strategy can be delegated to a committee. The Code also expands on the process and governance issues of capital expenditure and investment decisions. CIPFA recognised that authorities may require a lead-in period to create a Capital Strategy and that this requirement may not be able to be fully implemented until 2019/2020: this Council has adopted that timescale.
- iii. In the 2017 Treasury Management Code the definition of ‘investments’ has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is to be identified and reported.

9.2 MHCLG Investment Guidance and Minimum Revenue Provision (MRP):

- i. In February 2018 the MHCLG (Ministry of Housing, Communities and Local Government) published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP).
- ii. Changes to the Investment Guidance include a wider definition of investments to include non-financial assets held primarily for generating income return and a new category called “loans” (eg temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Guidance introduces the concept of proportionality, proposes additional disclosure for borrowing solely to invest and also specifies additional indicators. Investment strategies must detail the extent to which service delivery objectives are reliant on investment income and a contingency plan should be in place if yields on investments fall.
- iii. The definition of prudent MRP has been changed to ‘put aside revenue over time to cover the CFR’; it cannot be a negative charge and can only be zero if the CFR is nil or negative. Guidance on asset lives has been updated, applying to any calculation using asset lives. Any change in MRP policy cannot create an overpayment; the new policy must be applied to the outstanding CFR going forward only.

9.3 MiFID II:

- i. As a result of the second Markets in Financial Instruments Directive (MiFID II), from 3rd January 2018 local authorities were automatically treated as retail clients but could 'opt up' to professional client status, providing certain criteria was met which includes having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the authority have at least a year's relevant professional experience. In addition, the regulated financial services firms to whom this directive applies have had to assess that that person(s) have the expertise, experience and knowledge to make investment decisions and understand the risks involved.
- ii. The Council has met the conditions to opt up to professional status and has done so in order to maintain its professional client status. The Council will continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.

Appendix A – Prudential Indicators 2017/2018

1. Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. Some of the Prudential Indicators relate directly to the Council's Capital Programme. These Indicators are also included below for completeness of reporting.

2. Net Borrowing and the Capital Financing Requirement

2.1 This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

2.2 The Deputy Chief Executive reports that the Council has had no difficulty meeting this requirement in 2017/2018, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the budget for 2018/2019.

3. Estimates of Capital Expenditure (direct link to Capital Programme)

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

No.	Capital Expenditure	2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
1a	Non-HRA	8.875	16.243	4.772
1b	HRA	5.681	10.181	4.783
	Total	14.556	26.424	9.555

4. Ratio of Financing Costs to Net Revenue Stream (direct link to Capital Programme)

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.

4.2 The ratio is based on costs net of investment income. Where investment income exceeds interest payments, the indicator is negative.

No.	Ratio of Financing Costs to Net Revenue Stream	2017/18 Original %	2017/18 Revised %	2017/18 Actual %
2a	Non-HRA	1.62	1.47	1.82
2b	HRA	15.82	15.82	14.90

5. Capital Financing Requirement

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. The amounts shown are as at 31 March.

No	Capital Financing Requirement	2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
3a	Non-HRA	18.848	19.556	12.088
3b	HRA	65.168	66.926	65.126
	Total CFR	84.016	86.482	77.214

5.2 The year-on-year change in the CFR is set out below.

Capital Financing Requirement	2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
Balance B/F	79.580	77.042	77.042
Capital expenditure financed from borrowing	5.573	10.755	1.287
Revenue provision for Debt Redemption.	-1.137	-1.315	-1.115
Balance C/F	84.016	86.482	77.214

6. Actual External Debt

This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit (see 8 below).

No.	Actual External Debt as at 31/03/2018	Revised £m	Actual £m
4a	Borrowing	56.673	56.673
4b	Other Long-term Liabilities	0.080	0.403
4c	Total	56.753	57.076

7. Incremental Impact of Capital Investment Decisions Stream (direct link to Capital Programme)

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No.	Incremental Impact of Capital Investment Decisions	2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
5a	Increase in Band D Council Tax	79.35	151.02	56.90
5b	Increase in Average Weekly Housing Rents	0.85	2.60	4.22

The increase in Band D council tax/average weekly rents reflects the funding of the capital programme: for example, new borrowing increases interest payable, and funding from reserves utilises resources which could have otherwise been used to fund revenue expenditure. The actual indicators are less than the revised as a result of significant capital projects being deferred from 2017/2018 into 2018/2019.

8. Authorised Limit and Operational Boundary for External Debt

- 8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.
- 8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases.
- 8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). The 2017/2018 Actual values shown below are the maximum levels of borrowing, including temporary borrowing, experienced at any time during the year.

No.	Authorised Limit for External Debt	2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
6a	Borrowing	85.00	88.00	63.67
6b	Other Long-term Liabilities	0.50	0.50	0.40
6c	Total	85.50	88.50	64.07

- 8.5 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely,

prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

- 8.6 The Deputy Chief Executive has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet. The 2017/2018 Actual values shown below are the maximum levels of borrowing, including temporary borrowing, experienced at any time during the year.

No.	Operational Boundary for External Debt	2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
7a	Borrowing	79.50	83.00	63.67
7b	Other Long-term Liabilities	0.50	0.50	0.40
7c	Total	80.00	83.50	64.07

9. Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Council has adopted best practice.

No.	Adoption of the CIPFA Code of Practice in Treasury Management
8	The Council approved the adoption of the CIPFA Treasury Management Code in 2002. Following revisions to the Code published in December 2009, reconfirmed its adoption of the Code in February 2010.

10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- 10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums ie fixed rate debt net of fixed rate investments.
- 10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

No.		2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
9	Upper Limit for Fixed Interest Rate Exposure	85.5	86.5	51.7
10	Upper Limit for Variable Interest Rate Exposure	(27.5)	(27.5)	(26.2)

- 10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's Treasury Management Strategy.

10.4 Because the Council's investments are substantially in excess of its variable rate borrowing, the Upper Limit for Variable Interest Rate exposure is shown as a negative figure.

11. Maturity Structure of Fixed Rate borrowing

11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No.	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %	Actual %
11a	under 12 months	0	70	0
11b	12 months and within 24 months	0	70	0
11c	24 months and within 5 years	0	75	0
11d	5 years and within 10 years	0	75	35
11e	10 years and above	0	100	65

12. Upper Limit for total principal sums invested over 364 days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested. A single investment of more than 364 days was made during 2017/18.

No.	Upper Limit for total principal sums invested over 364 days	2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
12	Upper limit	50	50	2

13. HRA Limit on Indebtedness

This indicator is associated with self-financing for housing. It indicates the residual capacity to borrow for housing purposes, while remaining within the overall HRA Debt Cap specified by the Government.

No	Capital Financing Requirement	2017/18 Original £m	2017/18 Revised £m	2017/18 Actual £m
13a	HRA CFR	65.168	66.926	65.126
13b	HRA Debt Cap	75.248	75.248	75.248
	Difference	10.080	8.322	10.122

Appendix B – Economic Background explained by Arlingclose

2017-18 was characterised by the push-pull from expectations of tapering of Quantitative Easing (QE) and the potential for increased policy rates in the US and Europe and from geopolitical tensions, which also had an impact.

The UK economy showed signs of slowing with latest estimates showing GDP, helped by an improving global economy, grew by 1.8% in calendar 2017, the same level as in 2016. This was a far better outcome than the majority of forecasts following the EU Referendum in June 2016, but it also reflected the international growth momentum generated by the increasingly buoyant US economy and the re-emergence of the Eurozone economies.

The inflationary impact of rising import prices, a consequence of the fall in sterling associated with the EU referendum result, resulted in year-on-year CPI rising to 3.1% in November before falling back to 2.7% in February 2018. Consumers felt the squeeze as real average earnings growth, i.e. after inflation, turned negative before slowly recovering. The labour market showed resilience as the unemployment rate fell back to 4.3% in January 2018. The inherent weakness in UK business investment was not helped by political uncertainty following the surprise General Election in June and by the lack of clarity on Brexit, the UK and the EU only reaching an agreement in March 2018 on a transition which will now be span Q2 2019 to Q4 2020. The Withdrawal Treaty is yet to be ratified by the UK parliament and those of the other 27 EU member states and new international trading arrangements are yet to be negotiated and agreed.

The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 0.25% in November 2017. It was significant in that it was the first rate hike in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result. The February *Inflation Report* indicated the MPC was keen to return inflation to the 2% target over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. Although in March two MPC members voted to increase policy rates immediately and the MPC itself stopped short of committing itself to the timing of the next increase in rates, the minutes of the meeting suggested that an increase in May 2018 was highly likely.

In contrast, economic activity in the Eurozone gained momentum and although the European Central Bank removed reference to an 'easing bias' in its market communications and had yet to confirm its QE intention when asset purchases end in September 2018, the central bank appeared some way off normalising interest rates. The US economy grew steadily and, with its policy objectives of price stability and maximising employment remaining on track, the Federal Reserve Open Market Committee (FOMC) increased interest rates in December 2017 by 0.25% and again in March, raising the policy rate target range to 1.50% - 1.75%. The Fed is expected to deliver two more increases in 2018 and a further two in 2019. However, the imposition of tariffs on a broadening range of goods initiated by the US, which has led to retaliation by China, could escalate into a deep-rooted trade war having broader economic consequences including inflation rising rapidly, warranting more interest rate hikes.

Financial markets: The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month LIBID rates averaged 0.32%, 0.39% and 0.69% and at 31st March 2018 were 0.43%, 0.72% and 1.12% respectively.

Gilt yields displayed significant volatility over the twelve-month period with the change in sentiment in the Bank of England's outlook for interest rates. The yield on the 5-year gilts which had fallen to 0.35% in mid-June rose to 1.65% by the end of March. 10-year gilt yields also rose from their lows of 0.93% in June to 1.65% by mid-February before falling back to 1.35% at year-end. 20-year gilt yields followed an even more erratic path with lows of 1.62% in June, and highs of 2.03% in February, only to plummet back down to 1.70% by the end of the financial year.

The FTSE 100 had a strong finish to calendar 2017, reaching yet another record high of 7688, before plummeting below 7000 at the beginning of 2018 in the global equity correction and sell-off.

Appendix C – List of Investments made and/or maturing in 2017/2018

Counterparty	Principal £	From	/	To	Interest/ return £
<i>Term Deposits</i>					
Thurrock Borough Council	3,000,000	28/11/16		30/05/17	5,264
Nationwide Building Society	1,000,000	13/12/16		13/06/17	2,094
Coventry Building Society	2,000,000	09/05/17		23/05/17	100
Eastbourne Borough Council	3,000,000	30/05/17		30/08/17	2,420
Debt Management Office	2,000,000	15/05/17		22/05/17	38
Coventry Building Society	2,000,000	16/06/17		19/06/17	18
Debt Management Office	2,000,000	17/07/17		19/07/17	11
Debt Management Office	6,500,000	01/08/17		07/08/17	107
Debt Management Office	2,000,000	15/08/17		21/08/17	33
Debt Management Office	4,000,000	15/08/17		25/08/17	110
Debt Management Office	1,000,000	23/08/17		04/09/17	33
Debt Management Office	3,000,000	25/08/17		29/08/17	33
Eastbourne Borough Council	3,000,000	29/08/17		30/11/17	1,987
Debt Management Office	5,000,000	01/09/17		04/09/17	41
Debt Management Office	5,000,000	04/09/17		11/09/17	96
Eastbourne Borough Council	4,000,000	08/09/17		08/12/17	2,493
Debt Management Office	4,500,000	11/09/17		13/09/17	25
Newport City Council	1,200,000	02/10/17		19/10/17	95
Waltham Forest LBC	1,000,000	02/10/17		19/10/17	84
Debt Management Office	1,500,000	02/10/17		19/10/17	70
Debt Management Office	4,000,000	16/10/17		19/10/17	33
Debt Management Office	2,000,000	02/11/17		06/11/17	22
Debt Management Office	2,000,000	06/11/17		13/11/17	96
Thurrock Borough Council	3,000,000	10/11/17		12/02/18	3,477
Debt Management Office	3,000,000	15/11/17		20/11/17	103
Debt Management Office	5,000,000	08/12/17		19/12/17	377
Nationwide Building Society	1,000,000	15/12/17		15/03/18	912
Nationwide Building Society	1,000,000	15/12/17		16/04/18	1,304
Debt Management Office	1,000,000	15/12/17		20/12/17	34
The Highland Council	1,000,000	18/12/17		19/02/18	604
Coventry Building Society	2,000,000	19/12/17		19/02/18	1,155
Debt Management Office	2,000,000	19/12/17		19/01/18	425
Debt Management Office	6,000,000	02/01/18		03/01/18	41
Debt Management Office	2,000,000	15/01/18		22/01/18	96
Debt Management Office	2,000,000	19/01/18		22/01/18	41
Debt Management Office	2,000,000	01/02/18		05/02/18	55
Debt Management Office	2,000,000	05/02/18		09/02/18	55
Thurrock Borough Council	3,000,000	12/02/18		14/05/18	4,114

Counterparty	Principal £	From	/	To	Interest/ return £
<i>Treasury Bills</i>					
UK TREASURY BILL 0% 25/09/2017	1,000,000	29/08/17		25/09/17	147
UK TREASURY BILL 0% 25/09/2017	1,000,000	29/08/17		25/09/17	139
UK TREASURY BILL 0% 25/09/2017	1,000,000	29/08/17		25/09/17	131
UK TREASURY BILL 0% 23/04/2018	1,000,000	23/10/17		22/01/18	892
UK TREASURY BILL 0% 23/04/2018	1,000,000	23/10/17		22/01/18	864
UK Treasury Bill 0% 11/Dec/2017	1,000,000	13/11/17		11/12/17	266
UK Treasury Bill 0% 18/Dec/2017	1,000,000	20/11/17		18/12/17	285
UK Treasury Bill 0% 18/Dec/2017	1,000,000	20/11/17		18/12/17	265
UK Treasury Bill 0% 18/Dec/2017	1,000,000	20/11/17		18/12/17	294
<i>Other</i>					
Abbey National Treasury Services FRN(covered)	1,000,000	12/05/16		05/04/17	6,026
Bank of Nova Scotia FRN(covered)	2,000,000	22/07/16		02/11/17	15,882
Svenska Handelsbanken AB Bond (fixed)	618,000	11/11/16		28/08/17	2,928
Unilever Plc Bond (fixed)	1,110,000	11/11/16		16/06/17	2,961
Daimler AG Bond (fixed)	650,000	14/09/17		16/07/18	3,817
Daimler AG Bond (fixed)	1,000,000	04/10/17		16/07/18	6,398
Vodafone Group plc Bond (fixed)	1,000,000	19/10/17		05/12/17	611
Nordea AB Cert of Deposit	1,000,000	25/10/17		25/04/18	2,045
Danske Bank Cert of Deposit	2,000,000	18/12/17		05/03/18	1,731
BMW Finance NV Bond (fixed)	1,000,000	19/12/17		14/12/18	6,996
Barclays Cert of Deposit	2,000,000	22/01/18		20/03/18	1,551

Glossary of Terms

Affordable Borrowing Limit	Each local authority is required by statute to determine and keep under review how much money it can afford to borrow. The Prudential Code (see below) sets out how affordability is to be measured.
Base Rate	The main interest rate in the economy, set by the Bank Of England, upon which others rates are based.
Bonds	Debt instruments issued by government, multinational companies, banks and multilateral development banks. Interest is paid by the issuer to the bond holder at regular pre-agreed periods. The repayment date of the principal is also set at the outset.
Capital Expenditure	Spending on the purchase, major repair, or improvement of assets eg buildings and vehicles
Capital Financing Requirement (CFR)	Calculated in accordance with government regulations, the CFR represents the amount of Capital Expenditure that it has incurred over the years and which has not yet been funded from capital receipts, grants or other forms of income. It represents the Council's underlying need to borrow.
Chartered Institute of Public Finance and Accountancy (CIPFA)	CIPFA is one of the leading professional accountancy bodies in the UK and the only one that specialises in the public services. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards. Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for a significant part of the economy, namely local government.
Counterparty	Organisation with which the Council makes an investment
Credit Default Swaps	CDS are a financial instrument for swapping the risk of debt default and are effectively an insurance premium. Local authorities do not trade in CDS but trends in CDS prices can be monitored as an indicator of relative confidence about the credit risk of counterparties.
Credit Rating	A credit rating is an independent assessment of the credit quality of an institution made by an organisation known as a rating agency. The rating agencies take many factors into consideration when forming their view of the likelihood that an institution will default on their obligations, including the institution's willingness and ability to repay. The ratings awarded typically cover the short term outlook, the long term outlook, as well as an assessment of the extent to which the parent company or the state will honour any obligations. At

	present, the three main agencies providing credit rating services are Fitch Ratings, Moody's and Standard and Poor's.
Fixed Deposits	Loans to institutions which are for a fixed period at a fixed rate of interest
Gilts	These are issued by the UK government in order to finance public expenditure. Gilts are generally issued for set periods and pay a fixed rate of interest. During the life of a gilt it will be traded at price decided in the market.
Housing Revenue Account (HRA)	There is a statutory requirement for local authorities to account separately for expenditure incurred and income received in respect of the dwellings that they own and manage.
Lenders' Option Borrower's Option (LOBO)	A long term loan with a fixed interest rate. On pre-determined dates (eg every five years) the lender can propose or impose a new fixed rate for the remaining term of the loan and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan.
LIBID	The rate of interest at which first-class banks in London will bid for deposit funds
Minimum Revenue Provision (MRP)	The minimum amount which must be charged to an authority's revenue account each year and set aside as provision for the repayment of debt.
Operational boundary	This is the most likely, prudent view of the level of gross external indebtedness. A temporary breach of the operational boundary is not significant.
Prudential Code/Prudential Indicators	The level of capital expenditure by local authorities is not rationed by central government. Instead the level is set by local authorities, providing it is within the limits of affordability and prudence they set themselves. The Prudential Code sets out the indicators to be used and the factors to be taken into account when setting these limits
Public Works Loan Board (PWLB)	A central government agency which provides long- and medium-term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow.
Treasury Management Strategy Statement (TMSS)	Approved each year, this document sets out the strategy that the Council will follow in respect of investments and financing both in the forthcoming financial year and the following two years.
Treasury Bills (T-Bills)	These are issued by the UK Government as part of the Debt Management Office's cash management operations. They do not pay interest but are issued at a discount and are redeemed at par. T-Bills have up to 12 months maturity when first issued.

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Report to: Cabinet

Date: 2 July 2018

Title: Portfolio Progress and Performance Report 2017/18 - Quarter 4 (January- March 2018) and Year end

Report of: Ian Fitzpatrick, Director of Regeneration and Planning

Cabinet Member: Councillor Elayne Merry (Cabinet Member for People and Performance)

Ward(s): All

Purpose of report: To consider the Council's progress and performance in respect of key projects and targets for the fourth quarter of the year (January to March 2018) and the overall year performance as shown in Appendix 1.

Decision type: Non key-decision

Officer recommendations: Consider progress and performance for Quarter 4 and consider any relevant recommendations made by the Scrutiny Committee.

Reasons for recommendations: To enable Cabinet to consider specific aspects of the Council's progress and performance

Contact Officer

Name: Millie McDevitt
Post Title: Performance and Programmes Lead
E-mail: Millie.McDevitt@lewes-eastbourne.gov.uk
Tel No: 01273 085637 / 01323 415637

Background






1. The Council has an annual cycle for the preparation, implementation and monitoring of its business plans and budgets. This cycle enables us regularly to review the Council's work, and the targets it sets for performance, to ensure these continue to reflect customer needs and Council aspirations.
2. It is important to monitor and assess progress and performance on a regular basis, to ensure the Council continues to deliver priority outcomes and excellent services to its customers and communities. These priorities are set out in the Council Plan that was adopted by the Council in February 2016 and refreshed by the Cabinet in July 2017.
3. The Scrutiny Committee has a key role in terms of oversight of the Council's progress and performance and challenging areas of under-performance. This report sets out the Council's performance against its targets and projects for the fourth quarter of 2017/18 (the period running from 1st January to 31st March 2018) as well as the performance for the year.

Performance in the fourth quarter of 2017/18/ Year end

4. Appendix 1 provides a high level summary of progress and performance arranged by Cabinet portfolio. The summary shows where performance and projects are 'on

track/on target' and where there are areas of risk, concern or under-performance. Where performance or projects are 'off track/below target', an explanation of the management action being taken to address this is also provided.

5. Detailed project/performance tracking information is recorded in the Council's performance management information system Pentana (formerly known as Covalent). The system uses the following symbols to indicate the current status of projects and performance targets:

-  = Performance that is at or above target;
-  = Project is on track;
-  = Performance that is slightly below target but is within an acceptable tolerance/projects where there are issues causing significant delay or change to planned activities;
-  = Performance that is below target/projects that are not expected to be completed in time or within requirements;
-  = Data with no performance target.

Portfolio Progress and Performance – Quarter 4/ Year end

6. An overview of the Council's performance for the year as at the end of the fourth quarter is set out below:
 - 14 of the Council's 18 key projects were on track at the year end. There are no serious project delays which constitute a serious risk to the Council.
 - 72% of the Council's performance targets were either met, exceeded or within acceptable levels.
 - 6 performance indicators did not meet their targets (see paragraph 24 below).

The Good News for Quarter 4/ year-end –  Notable project milestones or service performance achieved.

7. This section of the report provides specific highlights by portfolio in terms of notable project progress or performance achievements.

Regeneration and Business portfolio

8. Key milestones achieved in the **Newhaven Enterprise Zone** include refurbishing 5,000m² of existing floorspace. This is around 1/3 of our target for the whole 25-year lifespan! £8m-plus of new private sector investment was attracted and 2,000m²-plus of new commercial floorspace was opened and a further 5,000m² is under construction.
9. The **LEAP** business programme also had a number of highlights: 23 candidates attended business start-up training, 7 of whom have started up a business in the district with more expected to follow shortly.
10. **Value of tourism to the local economy**. The monetary value on the impact of tourism is only reported annually. Due to the complexity of background data required to generate this measure, the most recent figure available for this report relates to 2016. It is estimated that the value of tourism to the Lewes District in 2016 was £178

million. This is based on 314,000 total overnight trips, resulting in 1.2million visitor nights in the district.

People and Performance

11. As part of the **Joint Transformation Programme**, in 2017/18 the Customer First; Homes First and Neighbourhood First brands were launched. A new joint website and intranet were also delivered. Report It Lewes & Eastbourne - an app to facilitate and speed up the reporting of environmental issues such as littering and dog fouling - launched across both the borough and district in February 2018.

Environmental Impact

12. **Clear Ventures (the Joint Venture for Energy and Sustainability)** was set up in 2017/18 and has started its first LDC project: Springman House.
13. **Co-mingled recycling** was introduced and is having a positive effect on recycling rates in the district.

Finance

14. The collection of both **Council Tax and Business Rates** exceeded their year targets with their total combined figures exceeding £90 million.

Housing

15. 22 new homes were delivered under the **Local Growth Fund** and research into **rural housing** options was undertaken.

Planning

16. **Neighbourhood Plans:** The Plumpton neighbourhood plan and the Ditchling, Streat & Westmeston plan was adopted in 2017/18.

Waste and Recycling Transformation

17. Year-on-year performance for **Percentage of household waste sent for reuse, recycling and composting** has improved by approximately 2.5%.

Customer and Partners

18. In 2017/18 more people signed up for **email service and to our social media channels** than anticipated.


Areas for Improvement – 🟡 Project/performance is slightly off track (but within acceptable/5% tolerance). The 'amber' warning flags up performance that has fallen very slightly below target or projects that are slipping behind schedule or going slightly off-track.

19. One performance indicators was in this category during the fourth quarter/ year end:

Percentage % of invoices paid on time: Performance for Q4 of 93% is below the target of 98%. We fell just short of our annual target but we hope to avoid this next year as a new financial system (CAFI) will have successfully been rolled out across the Council, resolving previous issues.

20. Four projects are being reported as amber at the end of the year and are reported more fully in the appendix:

**North Street Quarter;
Joint Transformation Programme;
Local Plan (Part 2) and
Devolution of Open Spaces**

Areas for Improvement –  Performance well below target and/or project significantly off-schedule or revised. Where service performance falls well below target levels, or a project is significantly off track or has been significantly revised or cancelled, priority is given to addressing these issues.

21. There were five indicators where this was the case in the third quarter.

22. Average working days lost due to sickness per FTE equivalent staff: Sickness absence rates in Q4 were the highest so far this year. This was anticipated as our HR Business Partners and managers were advising us, particularly in January and February, of large numbers of staff suffering from flu and stomach bugs. This was confirmed by the most frequent reasons for short term absence in Q4 being recorded as colds, flu and viruses. As a result the total for the year 2017/18 was 10.12 days per full time equivalent employee which is slightly over the target of 10 days. That said, Q4 rates were lower than in 2016/17 and 10.12 is the lowest figure we have had for many years (the overall level of absence has decreased continuously every year for the last 7 years).

A survey of our neighbouring authorities with an in house waste survey indicates that an average of between 9 and 11 days is usual. Bearing in mind the absence totals of Lewes and Eastbourne over recent years and those of our neighbouring authorities we are suggesting a combined target for Lewes and Eastbourne of 9 days per FTE for the financial year 2018/19. This feels like a sufficiently challenging yet realistic target. It will be our aim to reduce this to 8 days over the next two years.

23. Number of households living in temporary accommodation: The pressure on housing continues to reflect the national and regional position. This figure covers all forms of temporary accommodation. Emergency and nightly paid accommodation did not increase significantly either. The effect of the Homeless Reduction Act (HRA), introduced on 2 April will be noted in the next quarter's figures. The team will continue to develop the local leasing incentive scheme and offer larger prevention payments to keep clients in existing accommodation for longer.

24. Overall tenants' satisfaction: Overall tenant satisfaction is below target. Out of the figures supplied, 20 respondents said they were neither satisfied nor dissatisfied. If these neutral comments were discarded, the actual satisfaction figures would increase to 88%. In response to this, in April 2018 a question was added to enable tenants to advise why they are dissatisfied. Service Managers are being sent details of any dissatisfied reports provided by tenants and asked to analyse and investigate. Common areas of dissatisfaction will be looked at and service improvements

instigated. There were 22 reports received 3 of which related to current anti-social behaviour and noise cases, 11 of the reports related to maintenance issues. These reports are being sent to the Head of property Services to analyse to see if there are any trends. However it is anticipated the new repairs contractor will improve performance and increase satisfaction levels.

25. Percentage of all planning appeals allowed (officer/committee decisions): In 2017/18, 22 appeals were submitted, 11 of which were allowed.

26. Average time taken to answer telephone calls: Higher than normal call volumes have resulted in lower than expected average speed of answer. New starters have continued to be trained and are in the early stages of their training and development. We continue to implement improvements to achieve the targets. In the short term while the team manages the peak in contacts it has been expanded to help answer emails more quickly, a message has been put on the phone line to advise customers that missed bin requests will not be processed (and if they could wait until next time, advising of the long wait for calls to be answered and encouraging them to go online) and a call-back system has been implemented. In the longer term there has now been a greater emphasis given to promote other methods of contact and self-service, the likely busiest call times are advertised, and mail-outs from services around the organisation will be more carefully synchronised.

Financial Appraisal

27. Project and performance monitoring and reporting arrangements are contained within existing estimates. Corporate performance information should also be considered alongside the Council's financial update reports (also reported to Cabinet each quarter) as there is a clear link between performance and budgets/resources.

Legal Implications

28. Comment from the Legal Services Team is not necessary for this routine monitoring report.

Risk Management Implications

29. It is important that corporate performance is monitored regularly otherwise there is a risk that reductions in service levels, or projects falling behind schedule, are not addressed in a timely way.

Equality Analysis

30. The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports or as part of programmed equality analysis. The equality implications of projects that form part of the Joint Transformation Programme are addressed through separate Equality and Fairness assessments.

Background Papers

[Council Plan 2016 to 2020](#)

Appendices

Appendix 1 – Portfolio Progress and Performance Report (Quarter Four 2017/18).

Appendix 2- Performance measures 2018/19

APPENDIX 1

PORTFOLIO PROGRESS AND PERFORMANCE QUARTER 4 (January to March 2018)

Key to Symbols



- Project is complete; Performance is at or above target (please note, in some instances performance data has been rounded to the nearest whole number/percentage); Project is on track or yet to commence



- Project has issues causing significant delay or change to planned activities; Performance is below target but within 5% tolerance;




- Project is not expected to be completed in time or within requirements; Performance is below target;







- No performance target set.

LDC Regeneration and Business Portfolio: Councillor Andy Smith Portfolio Projects and Initiatives


Portfolio Projects and Initiatives


Project / Initiative	Target Project Completion	Current Status	Update
North Street Quarter	30-Apr-2021		<p>The NSQ landowners have continued to negotiate the final points in the Land Collaboration Agreement with a view to agreeing the document by early summer 2018. Once the LCA is agreed, the landowners will go to market to secure a developer for the scheme. LDC and NSQ Ltd. have now exchanged historic costs, which are being reviewed.</p> <p>The landowners continue to progress resolution of outstanding third party land / title matters, including those relating to LDC title.</p> <p>Applications to discharge Phase 1 pre-commencement planning conditions have been prepared and were submitted to the planning authority (SDNP) in April 2018. Stakeholders / community representatives have been fully engaged in the discharge of pre-commencement conditions (via regular meetings of the NSQ Sounding Board, Design Group and Landscape & Play Working Group – facilitated by LDC & NSQ Ltd.).</p> <p>LDC has prepared and submitted an application for prior approval (to SDNP) for the early demolition of LDC owned buildings on North Street, due to concerns over the condition of these buildings. It is intended that this vacant site will be used as a temporary car park</p>

Project / Initiative	Target Project Completion	Current Status	Update
			<p>during construction of Phase 1 of the scheme. An application for a temporary car park in this location is currently being prepared.</p> <p>There is a fuller report elsewhere on the agenda.</p>
Newhaven Port Access Road (ESCC Project)	30-Apr-2019		The business case for the Department for Transport was slightly delayed in Q4. ESCC is due to submit it in Q1 of 2018/19.
Newhaven Enterprise Zone	31-Mar-2042		<ul style="list-style-type: none"> • Updated Strategy was being drafted and linked to Coast to Capital's new Strategic Economic Plan. • Officers managed a positively-received consultation on planning restrictions. • Coastal Communities Fund bid being was being prepared for Town Centre. • The start of Phase 2 of Eastside South development was imminent. • FM Conway application at North Quay was approved by ESCC. <p>This is a 25 year project.</p>
Newhaven Growth Quarter	30-Apr-2028 (15 year commitment)		<p>All rectification periods now complete. Project for ongoing annual monitoring only.</p> <p>This project is a Coastal Communities Funded bid to extend existing premises of Sussex Downs College, Sussex Community Development Association and Newhaven Enterprise Centre on Denton Island in Newhaven, as well as increasing collaboration between users of all three facilities.</p>
Newhaven Town Centre	01-June-2020		Consultation with stakeholders scheduled for June.



Project / Initiative	Target Project Completion	Current Status	Update
			Plans for the site progressing with different options currently under discussion. Agreement For Lease with hotel projected for Q2 2018. Meetings with anchor store have taken place. Offer received for the affordable housing element. Financial appraisal of the various options pending.

Portfolio Projects and Initiatives

Project / Initiative	Target Project Completion	Current Status	Update
Joint Transformation Programme	31-Mar-2020		<p>As a major change management programme, the JTP continues to deliver the key elements of the intended transformation, including:</p> <ul style="list-style-type: none"> - launch of the new Customer First, Homes First, Neighbourhood First brands creating a stronger and more visible presence; - launch of the new joint website and intranet to enhance and modernise the way in which we engage and communicate with residents, businesses and staff; - new IT and telephony kit has been deployed to support improved and flexible delivery of services; - Report It Lewes & Eastbourne - an app to facilitate and speed up the reporting of environmental issues such as littering and dog fouling - launched across both the borough and district in February 2018; - Customers completed 20% of their transactions online in April 2018 compared with 7% a year earlier. This move to cheaper ways of interacting with

Project / Initiative	Target Project Completion	Current Status	Update
			<p>customers supports the aspirations of the Channel Shift Strategy and allows us to focus our resources on those who need our services most.</p> <p>Delivery of the transformation is being managed within the £6.8m budget and the £2.8m of savings for JTP Phases 1 and 2 are on track to be achieved.</p> <p>Challenges within the programme are known and being managed to ensure successful delivery of the overall programme goals.</p>
Lewes District Lottery	31-Mar-2019		This project is at the licensing application process.



Key Performance Indicators


KPI Description	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18		2017/18 overall performance			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
Average working days lost due to sickness per FTE equivalent staff	2.60	2.80	1.81	2.87		10.12	9.00		Sickness absence rates in Q4 were the highest so far this year. This was anticipated as our HR Business Partners and managers were advising us, particularly in January and February, of large numbers of staff suffering from flu and stomach bugs. This was confirmed by the most frequent reasons for short term absence in Q4 being recorded as

KPI Description	Q1 2017/ 18	Q2 2017/ 18	Q3 2017/ 18	Q4 2017/18		2017/18 overall performance			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
									<p>colds, flu and viruses.</p> <p>As a result the total for the year 2017/18 was 10.12 days per full time equivalent employee which is slightly over the target of 10 days. That said, Q4 rates were lower than in 2016/17 and 10.12 is the lowest figure we have had for many years (the overall level of absence has decreased continuously every year for the last 7 years).</p> <p>A survey of our neighbouring authorities with an in house waste survey indicates that an average of between 9 and 11 days is usual. Bearing in mind the absence totals of Lewes and Eastbourne over recent years and those of our neighbouring authorities we are suggesting a combined target for Lewes and Eastbourne of 9 days per FTE for the financial year 2018/19. This feels like a sufficiently challenging yet realistic target. It will be our aim to reduce this to 8 days over the next two years.</p>







LDC Environmental Impact Portfolio: Councillor Isabelle Linington Portfolio Projects and Initiatives

Portfolio Projects and Initiatives

Project / Initiative	Target Project Completion	Current Status	Update
Clear Futures (Joint Venture for Energy and Sustainability)	01-Apr-2037		Discussions are ongoing regarding Springman House. A pipeline of further projects is being developed.
Upper Ouse Flood Protection and Water	31-Mar-2019		<p><u>Outputs delivered by Sussex Flow Initiative:</u></p> <ul style="list-style-type: none"> • Nearly 18,000 trees planted in the Ouse Catchment • 30 pocket ponds dug in and around Chailey Common • 25 woody dams delivered • 5 meetings with landowners interested in Natural Flood Management • Mapping of potential hedgerows in the Longford stream (Wivelsfield area) • Development of upstream surface water flow path model enabling improved targeting of potential interventions • Excavation of Ringmer pond postponed as land water logged <p><u>Initiatives delivered by Ouse and Adur River Trust</u></p> <ul style="list-style-type: none"> • Legal agreement still being negotiated with landowner for connection of Ouse to its former flood plain at Anchor Gate upstream of Barcombe Mill • Consultation with landowners at Isfield to explore connecting river Uck back to its flood plain have been

Project / Initiative	Target Project Completion	Current Status	Update
			undertaken and constructive outcome <ul style="list-style-type: none"> • Work with landowners have agreed locations where the Bevern Stream can be reconnected to its flood plain • Work undertaken to improve mapping and survey techniques and so improve efficient delivery of projects
Newhaven Flood Alleviation Scheme (Environment Agency)	31-Dec-2018		There was a small delay and increase in costs at the start of Quarter Four, but this was resolved and works are progressing well.




Key Performance Indicators

KPI Description	Q1 2017/ 18	Q2 2017/ 18	Q3 2017/ 18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
% of invoices paid on time	97.79 %	96.59 %	93.03 %	93.00 %		95.10 %	98.00 %		<p>Performance for Q4 of 93% is below the target of 98%. Year end we fell just short of our annual target but we hope to avoid this next year as explained below.</p> <p>Performance Improvement Plan Once the new financial system (CAFI) is successfully rolled out across the Council, it is anticipated that performance will start to return to the expected level and within target.</p>
Percentage of Council Tax collected during the year - Lewes	30.04 %	58.28 %	85.77 %	98.23 %		98.23 %	98.00 %		The Council Tax collection rate for 2017/18 is 98.23% (£66.9 million), and 0.23% above the target rate of 98%. This is an improvement to 2016/17 when 98.17% (£63.5 million) was collected.
Percentage of Business Rates collected during the year - Lewes	29.18 %	56.37 %	85.05 %	98.60 %		98.60 %	98.50 %		The Business Rate collection rate for 2017/18 is 98.60% (£24.6 million) and 0.10% above the target rate of 98.50%. This is an improvement to 2016/17 when the percentage collected was 97.90% against a target of 98.50% (£25.3 million).









LDC Housing Portfolio: Councillor Ron Maskell





**Key Performance Indicators
Portfolio Projects and Initiatives**



Portfolio Projects and Initiatives

Project / Initiative	Target Project Completion	Current Status	Update
Housing Delivery : Local Growth Fund	31-Jul-2017		This project has now delivered 22 new homes and only remains active due to the defects period which runs to July 2018.
Rural Housing	31-Mar-2019		Research has been undertaken and a meeting has been held to review and discuss findings with Cllr Osbourne. Discussions focussed around planning policy. This relates to the Local Plan Part 2 prohibition on allowing annexes to be rented out and the use of ancillary buildings as separate dwellings.
Modular Temporary Accommodation	31-Mar-2019		The budget for this project was agreed by full council for Lewes in February 18. A number of sites are under consideration for further investigations.


Key Performance Indicators

KPI Description	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
Number of households living in temporary accommodation	63	80	78	80		80	65		<p>The pressure on housing continues to reflect the national and regional position.</p> <p>This figure covers all forms of temporary accommodation. Emergency and nightly paid accommodation did not increase significantly either. The effect of the Homeless Reduction Act (HRA), introduced on 2 April will be noted in the next quarter's figures.</p> <p>Performance Improvement Plan: The team will continue to develop the local leasing incentive scheme and offer larger prevention payments to keep clients in existing accommodation for longer.</p>
Percentage of rent collected during the year (cumulative)	92.74 %	95.96 %	96.91 %	98.32 %		98.32 %	95%		The 2017/18 year-end outturn is just slightly below the 2016/17 year-end figure of 99.09% but still above target.
The number of days taken to process new housing/council tax benefit claims	21.3	17.1	19.5	16.8		19.0	20.0		2017/18's performance was slightly below that of 2016/17 when the average days taken was 17.3
Total number of days that families need to stay in emergency	0	0	0	0		0	15		This PI relates to the number of days that families need to stay in non self contained B&B rooms. There have been none this year as families are in self contained

KPI Description	Q1 2017/ 18	Q2 2017/ 18	Q3 2017/ 18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
(nightly paid) accommodation									accommodation.
Total number of households living in emergency (nightly paid) accommodation	5	19	15	9		9	15		
Average number of days to re-let LDC Council homes (excluding temporary lets)	19	20	18	34		23	25		<p>On average over 2017/18, the number of days to relet Council homes was below our maximum target figure reflecting a positive performance by the team during a period of change.</p> <p>In Q4, extenuating circumstances (related to a change in contractual provider) led to an above average figure.</p> <p>Performance Improvement Plan Our new provider, Mears, has had a higher volume of voids to deal with than usual coupled with some properties needing quite extensive refurbishment. A plan has been put in place with Mears to clear the backlog and bring performance into line with the targets set out in the contract. The plan is being monitored closely by the management team who are also working with housing management colleagues to find ways of minimising the impact of internal transfers and evictions.</p>


KPI Description	Q1 2017/ 18	Q2 2017/ 18	Q3 2017/ 18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
Overall tenants' satisfaction	87%	86%	84.55 %	80.47 %		84.32 %	90%		<p>Overall tenant satisfaction is below target. Out of the figures supplied, 20 respondents said they were neither satisfied nor dissatisfied. If these neutral comments were discarded, the actual satisfaction figures would increase to 88%.</p> <p>Performance Improvement Plan In response to this, in April 2018 a question was added to enable tenants to advise why they are dissatisfied. Service Managers are being sent details of any dissatisfied reports provided by tenants and asked to analyse and investigate. Common areas of dissatisfaction will be looked at and service improvements instigated. There were 22 reports received 3 of which related to current anti-social behaviour and noise cases, 11 of the reports related to maintenance issues. These reports are being sent to the Head of property Services to analyse to see if there are any trends. However it is anticipated the new repairs contractor will improve performance and increase satisfaction levels.</p>

Portfolio Projects and Initiatives

Project / Initiative	Target Project Completion	Current Status	Update
Neighbourhood Planning	29-Feb-2020		<p>Plumpton</p> <p>The Plumpton Neighbourhood Plan went to Referendum on 8th March 2018 and received a majority vote in favour of its adoption by the eligible electorate. It was recommended to Cabinet on 19th March that the Plumpton Neighbourhood Plan be 'made' at the Council Meeting on 2nd May. The Local Authority has a duty to 'make' Neighbourhood Plans within eight weeks of a successful Referendum (as long as they do not contravene EU obligations).</p> <p>Seaford</p> <p>The Regulation 14 consultation concluded in January 2018. The Steering Group are still reviewing the comments made during this consultation and are considering what additional work - if any - will be required before moving on to the next stage. It is likely a Design Guide will accompany the Neighbourhood Plan and further work in this area is to be commissioned to bolster the proposed design related</p>







Project / Initiative	Target Project Completion	Current Status	Update
			<p>policies. A viability assessment (partly funded by LDC) is to be carried out to further investigate the development potential for the Dane Valley Project Area.</p> <p>Newhaven</p> <p>The Town Council anticipate submitting their amended Neighbourhood Plan in accordance with Regulation 15 within the coming months. A formal submission date will be confirmed by the Steering Group in the coming weeks. The group had hoped to submit by the end of January 2018, but the review of the Regulation 14 comments and the subsequent modifications to the Plan have taken longer than anticipated. This has delayed submission, but should not result in any significant issues and there are not considered to be any significant negative impacts resulting from a later Reg. 15 submission.</p> <p>Peacehaven and Telscombe</p> <p>The Steering Group were due to carry out some public engagement events in early/mid-April 2018. The Steering Group have set several dates and times at various venues in the Neighbourhood Area in order to engage with the community. They have commissioned information boards from their consultants for the events.</p>





Project / Initiative	Target Project Completion	Current Status	Update
			<p>Barcombe</p> <p>The Steering Group are making relevant amendments in accordance with the points made by attendees to their public engagement event in January. Informally, they are considering the merits of potential documents which could feed into their evidence base.</p> <p>Chailey</p> <p>The Steering Group have worked with LDC Housing, who agreed to carry out a Housing Needs Survey (HNS). The group have been advised that the HNS will have limited scope in contributing to the evidence base for the Neighbourhood Plan, however, it still has the potential to inform direction for further studies where desired/required. The Neighbourhood Plan is coming together as a draft document. The draft NP and supporting documents are informally being reviewed by the Neighbourhood Planning Officer.</p> <p>Ditchling, Streat & Westmeston</p> <p>The development of this Neighbourhood Plan is being led by the SDNPA. A Decision Statement created by the SDNPA and LDC, was published on 7th Feb. This document details the changes to be made to the Neighbourhood Plan ahead of Referendum. As LDC is the electoral authority, it is responsible for carrying out of the Referendum, which was held on 19th April 2018.</p>

Project / Initiative	Target Project Completion	Current Status	Update
			<p>The documents required to be published before the Referendum have been made public on both Authority's websites. On 19th March Cabinet agreed that the DS&W NP should go before full Council on 2nd May to be 'made' subject to a successful Referendum.</p> <p>Lewes Town (SDNPA-led)</p> <p>On 29th March 2018, Lewes Town Council voted unanimously to accept the Lewes Neighbourhood Plan for Submission to the SDNPA. Once all the supporting documents such as the Basic Conditions and Consultation Statements have been finalised, the town council will formally submit the Submission Plan to the SDNPA (documents are not submitted to LDC, however, relevant service areas of LDC can comment on the submitted documents once the SDNPA has initiated a formal Reg. 16 consultation). SDNPA will start the formal Reg 16 consultation following receipt of all of the submission documents. It is anticipated that this will be within the coming weeks; however the town council have not confirmed a fixed date with the SDNPA. It is not known whether any amendments have been made to the proposed low-cost housing policy or whether LDC-owned sites are still allocated in the NP.</p>
The Local Plan (Part 2)	31-Dec-2018		Local Plan Part 2 consultation responses on the Draft Plan are being considered; the Statement of

Project / Initiative	Target Project Completion	Current Status	Update
			<p>Consultation is being prepared and necessary amendments are being made to the Plan accordingly.</p> <p>The concurrent 'Call for Sites' to deliver the Gypsy and Traveller pitches yielded no results, however further options identified are being considered, with no final decision made. The identification within Local Plan Part 2 of suitable site(s) for the delivery of 5 permanent pitches is established within Core Policy 3 of the Local Plan Part 1, the Core Strategy hence the amber status of the project.</p> <p>The schedule for the publication of the Pre-Submission Local Plan Part 2 (Regulation 19) is currently September 2018 and this version must be considered 'sound' by the authority and will therefore need to demonstrate conformity with the Core Strategy.</p>


Key Performance Indicators

KPI Description	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
Percentage of minor planning applications determined within 8 weeks (LDC/SDNP combined)	83.33 %	70.49 %	75.56 %	91.27 %		81.90 %	75%		The overall year average is above the target of 75%. A total of 337 minor planning applications were submitted in 2017/18.
Percentage of major applications determined within 13 weeks (LDC only)	83.33 %	66.67 %	100%	66.67 %		80.95 %	80%		Four out of six major applications were determined within 13 weeks in Quarter Four. There was one major application in March which did not meet the 13 week target; this related to a very complex case. Performance across the quarter without this exceptional case would have exceeded its target at 03%. Throughout the year though performance for this indicator has been above our target.
Percentage of all planning appeals allowed (officer/committee decisions)	33.3 %	66.7 %	40.0 %	0%		50.0%	33%		In 2017/18, 22 appeals were submitted, 11 of which were allowed.

KPI Description	Q1 2017/ 18	Q2 2017/ 18	Q3 2017/ 18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
Outcome of planning appeals (Costs awarded (£))	£0.00	£0.00	£0.00			£0.00			
Number of appeals where the Inspector has considered that there has been unreasonable behaviour by the Local Planning Authority	0	0	0	0		0	0		
Number of major applications for new housing granted planning permission following appeal (LDC only)	0	0	0	0	0	0	0		





LDC Waste and Recycling Transformation Portfolio: Councillor Paul Franklin

**Key Performance Indicators
Portfolio Projects and Initiatives**



Project / Initiative	Target Project Completion	Current Status	Update
LDC co-mingled recycling	30-Apr-2018		<p>There was an informal Cabinet review of phase one roll-outs in January, which included positive feedback from Members and customers. Subsequently phases two and three were completed in March, with an enthusiastic anticipation for the improved service outputs once the final phases are completed in Quarter One.</p> <p>Bring sites now include Tetra Paks and coffee cups.</p>

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Key Performance Indicators

KPI Description	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18		Explanatory Note		
	Value	Value	Value	Value	Status	Value	Target	
KG waste collected per household	143.16	152.64	147.2	170.66		613.66		The year-end figure has increased by approx 5% from last year when the 2016/17 year end figure was 584.53 kg.
% of household waste sent for	27.46%	27.21%	29.21%	30.08%		28.48%		The year-end figure for 2017/18 is above the 2016/17 figure which was 27.13%.

KPI Description	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18		Explanatory Note		
	Value	Value	Value	Value	Status	Value	Target	
reuse, recycling and composting								

Project / Initiative	Target Project Completion	Current Status	Update
Devolution of Open Spaces	31-Mar-2018 Revised to 31 May-2018 (Newhaven sites) Revised to 30 Sep 2018 (remaining sites)		<p>Lewes Town: All work on devolution of Landport Bottom finalised and transfer is imminent. We have written to Lewes Town Council offering devolution of Timberyard play area, the Paddock play area (including WCs) and Bell Lane as the next sites for prospective devolution and expect to hear from the Town Council shortly.</p> <p>Newhaven Town: The first “wave” of transfers currently being progressed are: (a) East Side Recreation Ground; (b) Avis Road Recreation Ground; (c) Drove Park Recreation Ground; (d) Lewes Road Recreation Ground; and (e) Valley Road Recreation Ground. These transfers are actively being dealt with by LDC and NTC solicitors and, subject to resolution of various issues some of which involve third parties (e.g. in relation to access rights), should proceed to completion in approximately the next two months.</p>
New Arts and Culture Brand and Tourism offer	31-Mar-2019		The LDC Tourism Strategy was discussed at LDC Scrutiny Panel on the 18th January and the Tourism Team are in discussion on how this can be delivered within the existing resources



LDC Customers and Partners Portfolio: Councillor Tony Nicholson

Key Performance Indicators
Portfolio Projects and Initiatives

Key Performance Indicators

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KPI Description	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
Number of new sign-ups to the Councils' social media channels	196	291	244	129	✔	1,051		✔	Aim to maximise.
Number of people registering for our email service	2,593	2,723	594	667	✔	294	167	✔	
Wave Leisure: Visitors to leisure centres	227,950	208,757	230,802	281,772	✔	949,281	945,000	✔	<p>Participation; Whilst Downs Leisure Centre has seen a below target result, overall performance in comparison to last year has increased. Q2/3/4 outperformed last year's figures for the Wet and Dry Side activities.</p> <p>The reason for the figures being below target for Downs is due to a reduction in hire of the 3G pitch, meetings and functions. However the</p>

KPI Description	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
									attendance within the Gym, Group Exercise and Activities has increased. Figures overall have been maintained and are slightly up on last year, although slightly below the projected target. 16/17 actual participants = 921,113, 17/18 actual participants 949,281, target for 17/18 956,800. Overall performance positive.
Average time taken to answer telephone calls	0h 00m 35s	0h 00m 49s	0h 00m 28s	0h 01m 34s		0h 00m 52s	0h 00m 30s		Higher than normal call volumes have resulted in lower than expected average speed of answer. New starters have continued to be trained and are in the early stages of their training and development. We continue to implement improvements to achieve the targets. Performance Improvement Plan In the short term while the team manages the peak in contacts it has been expanded to help answer emails more quickly, a message has been put on the phone line to advise customers that missed bin requests will not be processed (and if they

KPI Description	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18		2017/18			Explanatory Note
	Value	Value	Value	Value	Status	Value	Target	Status	
									could wait until next time, advising of the long wait for calls to be answered and encouraging them to go online) and a call-back system has been implemented. In the longer term there has now been a greater emphasis given to promote other methods of contact and self-service, the likely busiest call times are advertised, and mail-outs from services around the organisation will be more carefully synchronised.

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LDC Performance and Projects measures: 2018/19

The following pages highlight the performance indicator targets and projects which will be reported on in 2018/19.

1. Regeneration and Business: Councillor Andy Smith

Project / Initiative	Description	Target Completion
North Street Quarter	Regeneration of the North Street Quarter area in Lewes to provide over 400 homes; health hub; car park and new commercial space.	Q1 2021/22
Springman House- New Community Fire Station	Relocation of key emergency services to create a blue light services hub that supports delivery of the North Street Quarter.	Q3 2019/20
Set up and Energy Services Company (ESCO) for North Street Quarter (LDC)	Establishment of an ESCO to support delivery of the North Street Quarter.	Q3 2019/20
Downs Leisure Centre- Seaford	To improve and reconfigure the Downs Leisure Centre site	Q4 2019/20
Newhaven Port Access Road (ESCC Project)	A new road that will remove Port traffic from existing roads to enhance access and economic growth, as well as safeguarding existing residential areas from the impact of Port traffic.	Q1 2020/21
Newhaven Enterprise Zone (NEZ)	NEZ covers 8 key sites of strategic importance with the aim of driving economic growth through the creation of up to 55,000m ² of new employment floorspace, refurbishing 15,000m ² of existing employment floorspace and creating / sustaining up to 2,000 FTE jobs over a 25-year period.	Q4 2041/42
Newhaven Town Centre	Delivery of mixed use regeneration scheme within NEZ.	Q4 2021/22
Railway Quay	Delivery of mixed use regeneration scheme within NEZ.	Q3 2022/23

2. People and Performance : Councillor Elayne Merry

2.1 Key Performance Indicators	Annual Target 2018/19
Average working days lost due to sickness per FTE equivalent staff	9 days

2.2 Projects & Programmes

Project / Initiative	Description	Target Completion
Joint Transformation Programme	A major programme to integrate the Eastbourne Borough Council and Lewes District Council workforces, and transform the service delivery model for both organisations. Deliver £2.7m savings while protecting services	Q4 2019/20
Lewes District Lottery	A lottery for good causes for Lewes District	Q4 2018/19

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3. Environmental Impact : Councillor Isabelle Linington

3.1 Project & Programmes

Project / Initiative	Description	Target Completion
Deliver the Upper Ouse flood protection and water prevention project	3 year programme of flood protection work across the District	Q4 2020/21
Newhaven Flood Alleviation Scheme (Environment Agency)	Enabling the delivery of key infrastructure projects in Newhaven.	Q4 2018/19
Joint Venture for Energy and Sustainability	A joint venture between Eastbourne and Lewes Council and a private sector organisation to deliver local energy and sustainability ambitions for the next 20-30 years. The Joint Venture will follow a programme of work.	Q4 2036/37

4. Finance : Councillor Bill Giles

4.1 Key Performance Indicators

KPI Description	Annual Target 2018/19
Percentage of Council Tax collected during the year	98%
Percentage of Business Rates collected during the year	98.5%

5. Housing : Councillor Ron Maskell

5.1 Key Performance Indicators

KPI Description	Annual Target 2018/19
Number of affordable homes delivered (gross)	30
Net additional homes provided	160
Number of Licensed HMOs Inspected per Quarter	2
Number of households where prevention duty has been accepted	Data only to allow benchmarking for 2019/2020- new target introduced for Homelessness Reduction Act
Number of households where relief Duty has been accepted	Data only in yr1 to allow benchmarking for 2019/2020- new target introduced for Homelessness Reduction Act
Number of households where full homelessness duty has been accepted	Data only in yr 1 to allow benchmarking for 2019/2020- new target introduced for Homelessness Reduction Act
Proportion of homeless households where decision has been made within 10 working days	Data only in yr 1 to allow benchmarking for 2019/2020- new target introduced for Homelessness Reduction Act
Number of households where homelessness has been successfully prevented	Data only in yr 1 to allow benchmarking for 2019/2020- new target introduced for Homelessness Reduction Act
The time taken from the receipt of a fully complete DFG application to the grant being approved (nb removes OTs and external providers from PI)	28 days

KPI Description	Annual Target 2018/19
Total number of households living in emergency accommodation	15
Total number of days in emergency accommodation	70 (reflects new HRA requirements)
Overall tenant satisfaction	Data only as process changing- allow target setting for 2019/20
Percentage of Rent collected during the year (%)	96%

5.2 Projects & Programmes

Project / Initiative	Description	Target Completion
Welfare Reform	To support those vulnerable residents affected by the government's welfare reform programme.	Q4 2019/2020
Housing Delivery : Local Growth Fund	Deliver up to 30 new Council homes for rent on 7 sites.	Q2 2017/18
Community Rural Housing	Investigation into Community rural housing	Q2 2018/19
Modular Temporary Accommodation	Delivery of modular housing options. (UPDATE- from Leighton)	Q2 2018/19
Universal credit (UC) preparation	Further develop action plan to prepare for and respond to roll-out of Universal Credit Full Service in Lewes	Q4 2018/19

6. Planning : Councillor Tom Jones

6.1 Key Performance Indicators

KPI Description	Annual Target 2018/19
Percentage of major applications determined within 13 weeks	65%
Percentage of Minor applications determined within 8 weeks	75%
Processing of other planning applications within 8 weeks	75%
Percentage of all planning appeals allowed	10%
Percentage of major planning applications allowed on appeal (as a percentage of all MAJOR applications made)	10%

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6.2 Projects & Programmes

Project / Initiative	Description	Target Completion
Neighbourhood Planning	Ongoing with annual review.	Q4 2019/20
Local Plan Part 2		Q4 2018/19

7. Waste and Recycling : Councillor Paul Franklin

7.1 Key Performance Indicators

KPI Description	Annual Target 2018/19
The average no. of working days taken to remove reported flytips	2
Percentage of household waste sent for reuse, recycling and composting	32%

7.2 Projects & Programmes

Project / Initiative	Description	Target Completion
LDC co-mingled recycling	PHASE TWO: All households able to accommodate wheelie bins will receive them and co-mingled dry recycling collections will be rolled out across Lewes District.	Q4 2018/19
Delivery of waste improvement programme	This is the overarching programme for a suite of projects designed to affect and manage changes in the waste, recycling, street and beach cleaning services across Lewes District.	Q2 2019/20

8. Customers and Partners : Councillor Tony Nicholson

8.1 Key Performance Indicators

KPI Description	Annual Target 2018/19
Percentage of calls to the contact centre answered within 60 seconds	80%
Reduce the numbers of abandoned calls to the contact centre	Less than 5%
Average number of days to process new claims for housing/council tax reduction	23 days
Average number of days to process new claims for change of circumstances	8 days
Number of new sign-ups to social media channels	600
Crime: Improve our ranking compared to similar authorities	Target ranking of 1-5 out of 15

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7.2 Projects & Programmes

Project / Initiative	Description	Target Completion
Devolution of Open Spaces	Work with new grounds maintenance contractor, Town and Parish Councils and local volunteers to maintain high quality public parks and community spaces.	Q2 2018/19
New Arts and Culture Brand and Tourism offer		Q4 2018/ 19

Report to: Cabinet

Date: 2nd July 2018

Title: Anchor Field, Ringmer

Report of: Ian Fitzpatrick, Director of Regeneration and Planning

Cabinet member: Councillor Bill Giles (Cabinet Member for Finance)
Councillor Ron Maskell (Cabinet Member for Housing)

Ward(s): Ouse Valley and Ringmer

Purpose of report: To update the Cabinet on proposed residential development on the Anchor Field, Ringmer and confirm changes from the details outlined in the Report to Cabinet in February 2017.

Decision type: Non-key Decision

Officer recommendation(s):

- (1) To note the revised project on Anchor Field Ringmer
- (2) To agree to proceed with the proposal as outlined as 'Option 1' in paragraph 6.2 of disposing of Council land holdings at Anchor Field, Ringmer as outlined in this report to allow for the delivery of affordable housing
- (3) To give delegated authority to The Director of Regeneration and Planning in consultation with the Lead Member for Housing, to dispose of land and easements at Anchor Field held within either the Council's General Fund or Housing Revenue Account subject to appropriate due diligence being completed. This delegation is to include authorisation not to dispose by auction or invitation of tenders following public advertisements as is usually required by the Council's Contract Procedure Rules (para. 18.1).
- (4) To give delegated authority to the Director of Regeneration & Planning in consultation with the Lead Member for Housing to enter a Development Agreement with the developer of the Anchor Field site in Ringmer.
- (5) To give delegated authority to The Director of Regeneration and Planning in consultation with the Lead Member for Housing to invest in the development of a small number of additional affordable housing units in addition to those that will be built out by the developer for the Council

at no cost

Reasons for recommendations: To allow for changes to the approved project following a reappraisal of the deliverability and benefits realisation of the scheme.

Contact Officer(s): Name: Leighton Rowe
Post title: Development Project Manager
E-mail: leighton.rowe@lewes-eastbourne.gov.uk
Telephone number: 01323 415367

1 Introduction

- 1.1 A Cabinet Report in September 2015 first outlined the recommendations for Lewes District Council (LDC) to use its land holdings at Anchor Field, Ringmer in the delivery of a residential scheme through a development agreement with a private developer. A subsequent Cabinet report in February 2017 included amendments to the Development Agreement whereby the Council would receive completed affordable housing units in exchange for its land holdings and easement.
- 1.2 Since the last Report in February 2017, Council officers have commissioned a number of valuations and cost assessments of the project as part of due diligence. This work has resulted in the need to further amend the proposed Development Agreement to take into account rising build costs and ensure the deliverability, benefits realisation and risk mitigation are all given appropriate weight.

2 The Proposal

2.1 Amended Details to Approved Proposal

The Cabinet Report from February 2017 delegated decision making on the majority of details of the development agreement to specified senior officers in conjunction with relevant Lead Members. However a number of aspects of the project were outlined within the report that have now been amended:

Within Paragraph 3.7 (old report)

- Further valuations and costs assessments commissioned by LDC in December 2017 show that there is unlikely to be sufficient development value to deliver the full 40% affordable housing on the site. This is in part due to the high cost of relocating the Football Club. The viability of affordable housing provision will be assessed under the planning application in the same way any other application would be.
- The majority of the affordable housing will be transferred to LDC at nil cost (in lieu of payment for the land and easements transferred to the developer). However, an opportunity to invest in a small number of additional affordable housing units has arisen for LDC, which would require a monetary payment to deliver.

- LDC will now be restricted through a planning requirement to keep the completed dwellings they receive as affordable housing.
- Rights (easements) will be granted to the developer over the LDC land to facilitate the development.

Within Paragraphs 3.8 and 3.9 (old report)

- To ensure the viability of the overall scheme, it has been agreed that the timing of the transfers of the land and the grant of the easement is changed so that the transfers and the grant of the easement will take place before construction of the LDC affordable housing. However, it has been agreed that the Council will secure a legal charge over part of the development site as security for the delivery of the affordable homes.

2.2 **Disposal of Land to Aspiration Homes or LHICL**

The Council land at Anchor Field, Ringmer has historically been held within the Housing Revenue Account, but the Cabinet Report 2017 approved the appropriation for the land into the Council's General Fund.

It is the intention that the affordable housing land will be transferred to either Aspiration Homes LLP or Lewes Housing Investment Company. This will be the subject of a further report to Cabinet if it is proposed to proceed with this transfer. The Development Agreement will have provision so that the rights to have the units built will be assignable.

3 **Outcome expected and performance management**

- 3.1 The Council expects to receive new affordable housing, and see the delivery of market housing, new sports provision for the College and Football Club, as well as improved open communal space for the wider community.

4 **Consultation**

- 4.1 Ringmer Parish Council have been consulted continually throughout the past 12 months of this project and remain broadly supportive of the proposals.

Ringmer Football Club have worked closely alongside the private developer on drawing up plans for the relocation of the football club.

Ringmer College and East Sussex County Council have both been consulted and are in full agreement to the plans for relocating the football club and providing improved sports facilities for the College.

A public meeting was held for Ringmer residents in November 2017 where the plans were displayed and discussed.

5 **Corporate plan and council policies**

- 5.1 The overall outcomes of this project support the Council's Corporate Plan to improve:

- “Communities” through improving local access to sports facilities
- “Place” through providing market and affordable housing, helping improve and maintain local park and community space, and also working with Parish Councils in unlocking local development projects.

6 Business case and alternative option(s) considered

6.1 Options Appraisal

As part of the valuation and cost assessment exercise an options re-appraisal was undertaken to ensure that the approach the Council was proceeding with was still the best. The following options were considered:

1. Continue with the existing proposal of disposing of the Council’s land holdings in return for completed affordable housing units.
2. Sell the Council’s land holdings for a monetary receipt.
3. Develop the Council’s land holding for housing without any development agreement with a third party developer.

It is recommended that the Council proceeds with Option 1.

Option	Benefits of Approach	Negatives of Approach
1	<ol style="list-style-type: none"> 1. Delivery of homes for less than it would cost the Council to build them separately.* 2. Value of completed affordable housing units are worth more than the value of the Council land.* 3. It would give the Council more control of the design and management of the affordable housing 4. The Council input helps to drive forward delivery of the overall scheme. 	<ol style="list-style-type: none"> 1. The more complicated structure of the scheme requires greater input of Council Officers to ensure delivery. 2. Risk mitigation required in the Development agreement which would require action if Development failed to deliver benefits.
2	<ol style="list-style-type: none"> 1. Reduces risk of the Council not receiving receipt for the land. 	<ol style="list-style-type: none"> 1. Value of the receipt for the land is worth less than value of affordable housing units* 2. A Housing Provider willing to purchase the affordable housing would need to be found, and many providers will not consider schemes 50 units.

		3. Once the land is disposed of the Council would have reduced influence to bring forward the development of it stalls
3	1. The Council could deliver a reduced number of homes without the need for a third party involvement.	1. The delivery of improved facilities for the Football Club and College through the development would be unachievable. 2. Delivery of homes on the current football ground would be in doubt, impacting on the Council's overall housing targets. 3. The delivery of homes would cost the Council more money than a joint partnership scheme.*

*Details within Appendix 1

7 Financial appraisal

- 7.1 The financial appraisal of this project remains largely as shown in the February 2017 report to Cabinet. The proposal means that instead of a capital receipt as envisaged when Cabinet agreed draft Heads of Terms in September 2015, the Council will receive property worth several million pounds. The newly constructed affordable housing units would generate an ongoing income stream, a future capital receipt (if sold) or a combination of the two.
- 7.2 The current proposal will enable 6 additional homes to be purchases through Aspiration Homes. The financial implication of this was explained in a report to Cabinet in April 2018 'Housing Development Update'. It will be for Aspiration Homes to determine how the acquisition and development costs are to be financed. The majority of the cost would be funded through long term borrowing, with the rent generated from the new homes being used to repay the principal borrowed and associated interest charges.
- 7.3 The Council will seek advice on the Stamp Duty Land Tax implications of the proposal at Ringmer to ensure that the transaction is carried out in the most tax efficient manner.
- 7.4 Section 123 of the Local Government Act 1972 requires that a local authority achieve best consideration for any freehold or disposal or a leasehold disposal in excess of seven years. The negotiations for this proposal has been conducted in light of this statutory requirement.

8 Legal implications

8.1 Contract Procedure Rules (Section 2 – Disposal of interests in land)

The Council's CPRs say that no sale of land where the value exceeds £50,000 or £25,000 if amenity land shall be made except after auction or the invitation of tenders or expressions of interest following appropriate public advertisement, unless authorised by Cabinet.

The disposals of the sites to the developer has been authorised by Cabinet by the giving of delegated authority in accordance with Recommendation 3 of this report.

Best consideration - section 123 Local Government Act 1972

The Council cannot dispose of land held in the general fund for a consideration less than the best that can be reasonably obtained in the market, except with the express consent of the Secretary of State. Disposal includes transfers.

The disposal of land to the developer will need to comply with this principle and valuation advice has been taken to ensure that the terms of the disposal are the best that can reasonably be obtained.

Procurement

The sale of land is not in itself subject to the European public procurement regime and the Public Contracts Regulations 2015 (the "PCR").

The Council is not intending to impose conditions in relation to the development on the land in the scheme it is selling so as to create a works contract.

There is a linkage though at present in relation to the sale and the construction of the affordable housing for the Council. That element would be a works contract if taken as a stand-alone contract.

Where the different parts of a contract are objectively not separable, the applicable legal regime shall be determined on the basis of the main subject-matter of that contract.

In this case, if objectively, it is not possible to structure the contract for the sale/easement and the construction works separately AND the main object is the sale/easement rather than the affordable housing construction works then the whole arrangement would fall outside of the PCR. It is not considered that this scheme would be of cross-border interest so as to engage the need for a competition under the General Treaty Obligations. The intention is to approach the arrangement in this way so that the main object is the sale/easement.

Even if the arrangements are indivisible but the main subject matter is a works/services contract, then the Council may be able to use the negotiated procedure without competition to award the contract on the basis of "exclusive rights".

Once the terms of the arrangement are finalised a further legal analysis will be commissioned to ensure that the transaction in practice fits in with this procurement analysis.

State aid

Sale and grant of easement

The sale and grant of easement will be state aid compliant if they are:

- (i) in accordance with the "Commission Communication on State Aid Elements in Sale of Land and Buildings by Public Authorities" (the "Land Communication") **or**
- (ii) in accordance with the Market Economy Operator Principle

If consideration for the land and easement is being met wholly or partly by the construction of housing for the Council then the value of that construction contract will need to be assessed for this purpose. An independent expert valuation has been obtained

Construction of affordable housing on land retained by LDC – building contract is between LDC and developer

This will be compliant if in accordance with the Market Economy Operator Principle.

It will be necessary to establish that the Council is not paying more than market price for the construction work and that the terms of the contract are also in accordance with what would be expected in the market. If there is no form of competition the proposal will need to be benchmarked and the subject of independent expert opinion/valuation.

Once the terms of the arrangement are finalised a further legal analysis will be commissioned to ensure that the transaction in practice fits in with this state aid analysis

[19 June 2018 4580-LDC-KS MR]

9 Risk management implications

9.1 An assessment of the risks has been undertaken with the following risks and mitigations identified outcomes:

Risk 1: The Council fails to sign a Development Agreement with the private developer and the project does not continue.

Mitigation: The Council could develop the land that it owns for housing without any third party developer.

Risk 2: The scheme, or parts of the scheme, fail to get planning permission

Mitigation: The Council could endeavour to obtain planning permission for the land that it owns if the developer's scheme fails to obtain planning permission

Risk 3: Once planning permission is in place, the private developer will sell the football ground and assign the Development Agreement to a third party who may fail to deliver all or part of the project.

Mitigation: The Development Agreement will contain provisions controlling the status of the third party to whom the agreement can be assigned to ensure that it will only be assigned to a party with suitable financial standing

Risk 4: The developer builds out part of the project but fails to deliver the affordable element

Mitigation: A mechanism shall be included in the Development Agreement to protect the Council so that if the affordable element is not delivered the Council can enforce the terms of a legal charge that it will have over part of the developer's land and would be able to sell that land.

Risk 5: The developer builds out the affordable housing, but it does not meet the Council's requirements.

Mitigation: The Development Agreement will contain provisions relating to the standard of the affordable housing so that the Council will have recourse to the developer if it is not constructed in accordance with specified standards.

Risk 6: Delays in the project delivery cause complications for LDC, the Parish Council, the Football Club, the College, the Gun Club or the County Council.

Mitigation: This is a complicated deal due to the number of parties involved. There are provisions in the Development Agreement so that the deal is terminated after certain time limits so that all parties are not tied in indefinitely.

10 Equality analysis

10.1 There are no equality impacts as a result of the recommendations of this report.

11 Appendices - Exempt

- Appendix 1 – Valuation Reports Summary (Exempt)

12 Background papers

The background papers used in compiling this report were as follows:

- Cabinet Report Feb 2017- Anchor Field Ringmer and Old Malling Farm
<http://democracy.eastbourne.gov.uk/CeListDocuments.aspx?Committeeld=417&MeetingId=2127&DF=08%2f02%2f2017&Ver=2>

- Cabinet Report Sept 2015- Land for Development in Ringmer
<http://democracy.eastbourne.gov.uk/CeListDocuments.aspx?Committeeld=417&MeetingId=2115&DF=24%2f09%2f2015&Ver=2>

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Report to: Cabinet

Date: 2 July 2018

Title: Review of the Council Plan 2016-2020

Report of: Director of Regeneration and Planning

Cabinet Member: Cllr Andy Smith (Leader of the Council, Cabinet Member for Regeneration and Business)

Wards: All

Purpose of report: This report sets out the results of a review which has been undertaken of the Council's four year plan (2016 – 2020) at the end of the second year. The report enables the Cabinet to consider the successes and achievements to date and to approve the further development and refinement of the Plan as it moves into its third year.

Decision type: Budget and policy framework

Officer recommendations: (1) To note the progress made in the second year of delivery of the Council Plan (appendix A);

(2) To approve the design changes to the Council Plan (appendix B); and

(3) To recommend that Council agrees the Council Plan contents.

Reasons for recommendations: During the period of a four year Council Plan adjustments and refinements may need to be made to respond to changed circumstances and emerging opportunities. In acknowledgement of this an annual review is a helpful way of ensuring that the Plan remains focused on delivery of the organisations overall strategic objectives.

Contact Officer(s)-

Name(s): Millie McDevitt
Post Title(s): Performance and Programmes Lead
E-mail(s): Millie.McDevitt@lewes-eastbourne.gov.uk
Tel No(s): 01273 085637

Information

- 1 The Council Plan is a key corporate document. It sets out the Council's commitments to its residents and businesses and outlines a programme of important strategic objectives and the projects that will deliver these for the

District. The Plan draws upon a range of statistical data, as well as the views of key stakeholders, to inform and help shape the policy priorities for the Council.

- 2 The 2016-2020 Council Plan was adopted by the Council in February 2016, following extensive consultation and engagement with local residents, partners and stakeholders.
- 3 Progress against key success measures and project deliverables set out in the Plan has been reported to Members on a quarterly basis, as part of normal performance management arrangements (through both Scrutiny and Cabinet). This reporting will continue in 2018/19.
- 4 It was agreed by Council that, although covering a four year period, the Plan would be considered a dynamic document that would evolve over time. As such, an annual review was agreed. The results of the second such review are set out in this report.

Achievements in the Second Year

- 5 The Council has made good progress in the past year in delivering across a range of the projects and initiatives set out in the Council Plan. The table at Appendix A shows which projects have been completed already, and what has been achieved. It also sets out progress made to date on those longer term projects which will take more time to fully deliver.
- 6 Also included in Appendix A is information about the volume and range of services the council has delivered across its functions.
- 7 Notable achievements in 2017/18 include:
 - 7.1 Citizens Advice Bureau: We re-housed the Citizens Advice Bureau (CAB) in the main Council offices in Lewes and assisted with new premises in Newhaven.
 - 7.2 Grants: We supported voluntary organisations through grants totalling £202,505.
 - 7.3 Local Growth Fund: Project was completed in 2017 delivering 22 new affordable homes on garage and HRA sites.
 - 7.4 Housing Investment Company: Set up and launched.
 - 7.5 Recycling: Co-mingled recycling was successfully introduced resulting in higher recycling rates (33.0% in April 2018 vs 27.57% in April 2017).
 - 7.6 Website: A shared website with Eastbourne Borough Council was launched.
 - 7.7 Joint Transformation Programme: The first and second phases of the Joint Transformation Programme have been completed, bringing together one staff team to deliver services for both Eastbourne Borough and Lewes District Councils and delivering the targeted levels of savings.

- 8** As well as the projects set out in the Council Plan, through the year opportunities have arisen for additional areas of work to be progressed, which help to deliver the Council Plan objectives. Cabinet is asked to agree that these projects be included in the 2016-2020 Council Plan.
- 8.1** Seaford: Redevelopment of Downs Leisure Centre to provide ground-breaking healthcare space.
- 8.2** Housing Development Projects: As agreed in the April 2018 Cabinet, this suite of projects will deliver up to 198 homes in the district.
- 8.3** Vote 100: As agreed in the February 2018 Cabinet.
- 8.4** Single use plastics: As agreed in the February 2018 Cabinet.

Work Plan for 2018/19

- 1** Appendix A sets out the work which the Council will be focusing on in the coming year to continue to ensure that our objectives and priorities are delivered. Amongst these are a number existing projects which will be moving in to new phases. Some of the larger, longer duration projects will deliver key milestones in the coming year. These are highlighted below.
- 1.1** Waste Strategy
Summer 2018- performance review
- 1.2** North Street Quarter
Summer 2018 - Land Collaboration Agreement
- Summer 2018 – discharge pre-commencement planning application conditions
- Autumn 2018 – procure development partner for phase 1
- 1.3** Newhaven
Spring 2018 – updated strategy
- Spring 2018 – start of Phase 2 of Eastside South development
- Winter 2018- submission of planning application for town centre
- Spring 2019 – submission of planning application for railway quay

Financial Appraisal

- 9** The financial aspects of all projects and actions within the Council Plan are either included within the approved budget for 2018/19 and the Medium Term Finance Strategy, or (in the case of new initiatives which may still be at an early planning stage) will be subject to future reports to, and approval by, Cabinet.

Legal Implications

10 There are no legal Implications arising from this report.

Risk Management Implications

11 The risk management implications of individual decisions relating to the projects and initiatives covered in this report will be addressed as part of the planning and delivery of those individual projects.

Equality Screening

12 Equality Analyses are being undertaken in relation to the individual projects which make up the Council Plan, and therefore it has not been considered necessary to undertake an overarching analysis of the Plan as a whole.

Background Papers

13 None

Appendices

14 Appendix A – Progress to date against the Council Plan 2016 – 2020 – achievements in 2017-18

Appendix B – Refreshed LDC Council Plan

Achievements in 2017/18

Our Commitment: <i>We will deliver improvements for customers and communities</i>	
Communities: <i>Resilient, health and engaged communities</i>	
Review voluntary organisations' Service Level Agreements Note: New three year service level agreements were signed with partner organisations	Completed
Citizens Advice Bureau (CAB) re-housed within main council offices in Lewes Town and refurbished premises in Newhaven.	Completed
Undertake scrutiny reviews of housing supply and demand and transport planning (MM to go through report and write sentence re review)	Completed
Develop community engagement arrangements to inform design of customer journeys for JTP Note: User testing of the new website was completed involving a wide cross-section of customers	Completed
Work with Wave Leisure and other health partners to provide information and activities to encourage healthy lifestyles, with a particular focus on the needs of specific parts of the district and an ageing population. Note: In March 2019, Cabinet agreed that long leases may be granted to Wave Leisure, subject to negotiations.	Progressing
Increased sign up to the Council's social media channels, particularly by young people.	Progressing
Working through our Community Safety Partnership to address environmental crime, anti-social behaviour and aim to reduce the fear of crime.	Progressing
Delivered	
<ul style="list-style-type: none"> ❖ We supported voluntary organisations through grants totalling £202,505 in 2017/18 and agreed new 3 year service level agreements with our partner voluntary organisations. ❖ LDC Tweets appeared 976,000 times in the past year with 1354 being 're-tweeted' 	

Customer	
A new shared website with EBC was launched.	Completed
Introduce new aligned complaints policy across LDC/EBC to enable complaints to be dealt with more efficiently	Completed
Develop call-centre to enable increased proportion of calls to be dealt with at first point of contact – Target 75%: staff have been cross-skilled to enable them to work across service areas and with Eastbourne.	Completed

Our Commitment: <i>We will achieve investment in our towns and villages</i>	
Place (sustainable new housing and infrastructure)	Status
North Street Quarter (NSQ) development - Springman House acquired, significant progress on the health hub	Progressing
Local Growth Fund (garage sites)- 22 new affordable homes were completed	Completed
Neighbourhood Plans – Help develop and adopt 2 new Neighbourhood Plans (Plumpton and Chailey) and deliver Referendums in Ditchling, Streat and Westmeston, Lewes and Plumpton	Completed
Newhaven Flood Alleviation Scheme - work started which will unlock sites for future development and reduce the flood risk	Progressing
Upper Ouse Flood Protection – Project started – Funding and structure in place to identify opportunities to reduce the risk/impact of flooding in local communities	Progressing
Housing Investment Company - Company to enable development of housing to meet local needs	Completed
Rail Infrastructure – Scrutiny committee lobbied for the Lewes to Uckfield line and improvements to the A259.	Completed
Delivered	
❖ Rent collection levels reached	

- ❖ Processed xxx new benefit claims within an average of xxx days per claim

Our Commitment: *We will achieve investment in our towns and villages*

Place (Growth and Prosperity)

Newhaven Enterprise Zone – Designation of 8 sites within Newhaven as part of the Enterprise Zone. Phase 1 of new business units at Eastside South completed. New Programme Manager appointed in October.	Completed
Newhaven town centre: Masterplan of a redeveloped town centre completed including provision for a new hotel.	Completed
Artwave Festival 2017: Another successful Festival. Other notable events delivered during the year include Gin & Fizz.	Completed
Lewes Business Awards 2017	Completed
Develop a new arts and culture brand and tourism offer in conjunction with Eastbourne as a shared service	Completed

Place (Clean and Green)

Waste Strategy – Co-mingled recycling introduced in the district resulting in a positive impact on recycling rates.	Completed
Neighbourhood First launched: A new Council service which has advisors working within towns and villages inspecting streets,, open spaces and recreation grounds to ensure the environment is well-maintained.	Completed

Delivered

- ❖ Our recycling rate in April 2018 was 33.6% compared with 27.57% in April 2017.

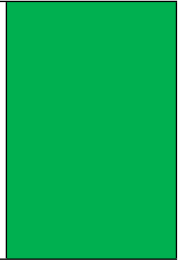
Our Commitment: *We will keep close control of our budgets and make the best use of our resources*

Value for money

Shared Services - Property and IT services now shared with EBC - external shared IT supplier to deliver shared network and telephony	Progressing
Joint Transformation Programme launched – Aim to deliver up to £2.79m savings by 2019/20; reduction of up to 79 FTE posts; Phase one staff restructure – delivering £1.05m savings,	Progressing

Appendix A

- JTP Phase 2 (service delivery) restructuring phase completed –mobilisation and transition phase underway– target efficiency savings circa £545k.
- Delivered single IT infrastructure across LDC and EBC



Work plans for 2018/19

Our Commitment: <i>We will deliver improvements for customers and communities</i>	
Thriving Communities	
Introduce a local District lottery	Action 2018/19
Prepare for and respond to roll-out of Universal Credit Full Service in Lewes (LDC)	Action 2018/19
Considering options Revenues and Benefits operating systems (Joint)	Action 2018/18
Complete merger of Community Safety Partnerships	Action 2018/19
Deliver the Community Safety Plan for LDC (adopted by the Community Safety Partnership Strategy Group in March)	Action 2018/19
Deliver the Equality & Fairness Action plan including Service Group	Action 2018/19
Review of safeguarding policy	Action 2018/19
Customer	
Enable more self-service options through JTP technology	Progressing
Neighbourhood First team embedding their partnerships with Sussex Police, Town & Parish Councils and other community groups such as DIG	Progressing

Our Commitment: *We will achieve investment in our towns and villages*

Housing and Development- Delivering sustainable housing and infrastructure

Neighbourhood Plan- progressing work on remaining neighbourhood plans	Progressing
Newhaven Flood Alleviation Scheme - work started which will unlock sites for future development and reduce the flood risk	Progressing
Upper Ouse Flood Protection –continuing to identify opportunities to reduce the risk/impact of flooding in local communities	Progressing
Continuing to campaign for improvements to the A259 and A27	Progressing

Growth and Prosperity- Prosperous Economy

North Street Quarter (NSQ) development of 416 houses (40% affordable), 330 car parking spaces, health club, flood defences and riverside walkway - <ul style="list-style-type: none"> Springman House: New Community Fire station 	Progressing
Seaford: Downs Leisure Centre- provision of new healthcare facility	Action 2018/19
Newhaven Port Access Road	Progressing
Artwave Festival 2018	Action 2018/19
Lewes Business Awards 2018	Action 2018/19

Quality Environment (Clean and Green)	
Waste Strategy <ul style="list-style-type: none"> Continuation of food waste collection promotion to increase recycling rates Expand commercial waste service 	Progressing
Devolve more open spaces to towns and parishes	Progressing

Our Commitment: *We will keep close control of our budgets and make the best use of our resources*

Value for money

Joint Transformation Programme (JTP) <ul style="list-style-type: none"> Introduce Shared Finance Service with EBC Deliver new housing IT system Phase 3 of JTP 	Progressing
Review Asset Portfolio - to ensure all assets are required for operational or investment purposes and to identify potential options for surplus property.	Progressing

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Council Plan 2016 → 2020

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CUSTOMERS PLACE VALUE FOR MONEY

Council Plan

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Welcome to our Council Plan which sets out our priorities and key projects over the next few years. This four year plan sets out the key outcomes the Council will deliver with its partners for our district.

The Plan has been informed and developed in consultation with our residents, partners and other stakeholders. We would like to thank everyone who took the time to contribute.

We monitor the Plan regularly and report progress to Cabinet each quarter. As a 'living plan' it responds to changing times, and the financial context within which we operate. We refresh the Plan annually. This refreshed document was published in July 2018.



CUSTOMERS PLACE VALUE FOR MONEY

Introduction from the Leader



**Councillor
Andy Smith**

Lewes District Council is an innovative, efficient and forward thinking council with a proven track record of delivering good quality services and responding dynamically to the changing needs of its customers and communities. We are committed to providing value for money for our residents and keeping Council Tax levels as low as possible, despite the challenging financial climate.

Since we adopted this plan in February 2016 and refreshed it in July 2017. We have already gone a long way towards delivering our objectives and commitments.

- Assisted the Citizens Advice Bureau with premises in Newhaven and dedicated office space within the council's main offices in Lewes.
- Successfully introduced co-mingling recycling which is resulting in improved recycling rates.
- Launched a new shared website with Eastbourne Borough Council.
- Set up a Joint Venture for Energy and Sustainability named Clear Futures.
- Set up a Housing Investment Company to help meet the district's housing needs.
- Delivered another series of large events including a successful Artwave Festival and the Lewes Business Awards.

- Launched our 'Neighbourhood First' service: a team of advisors who work with communities in Lewes to improve their neighbourhoods and maintain the quality of the environment.
- Launched a new smartphone app 'Report It' ([hyperlink to council webpage](#)) for flagging up environmental issues.
- Agreed new 3 year service level agreements with our partner voluntary organisations.

We are also making excellent progress, working with partners, on a number of large scale projects to improve our district, including:

- Our North Street Quarter development which will deliver over 400 new homes and a new health hub in Lewes.
- Continued delivery of regeneration through the Newhaven Enterprise Zone – offering new employment opportunities (up to 2,000 jobs) for local residents.

“ *As Leader of the Council I have made a strong commitment to listen to and work with all political groups on the Council, key partners in the public, private, community and voluntary sectors and Council staff. Through these partnerships we will continue to deliver high quality services whilst also taking forward a broad range of ambitious and innovative projects to meet the needs of the district.* ”

”

The Lewes district

Our people and places



Our residents, businesses and visitors benefit from beautiful landscapes and a historic environment. Our diverse and attractive countryside includes chalk cliffs and downland, shingle beaches, heathland, wetland and areas of ancient woodland. Our County Town, Lewes, is at the heart of the district and is a popular historic tourist destination. The district has a vibrant and diverse contemporary arts scene and boasts a rich cultural heritage which is important to its economic prosperity.

This diversity of landscapes and communities is a great strength. Community life is a strong and distinctive feature of the district. Residents identify closely with their own towns, villages and neighbourhoods. There are specific issues and challenges affecting some local communities in terms of employment, skills, and health and housing factors. Connectivity, rural isolation and access to services can also be an issue for some people.

Our population of 101,381 is projected to grow by 8% by 2030. Life expectancy is higher than the East Sussex average. However, around 21% of people are living with a limiting long-term illness or disability.

There is a higher than average occurrence of ill-health and mental health issues (including dementia) in some coastal communities. It is therefore important that we work with our partners to ensure the needs of our changing communities are met. We want to help support people in maintaining healthy and active lifestyles, and to remain living in their own homes.

We benefit from an entrepreneurial economy with self-employment being a significant feature of our district, representing 15% of the economically active population. Over 33% of residents are employed in managerial or professional roles. Unemployment is below the East Sussex average.

Our new business start up rate is above the East Sussex average. Small companies of between 1 and 10 employees account for 90% of all local businesses. It is critical that we support these businesses to grow and prosper, through advice and guidance as well as suitable, high quality employment premises, so they can provide future employment within the district.

Alongside this, we want to put particular emphasis on supporting our young people to ensure they have the training and skills they need to thrive in the future.

Our commitments

We are making the following commitments to our residents, businesses and communities. These commitments can only be met by working with a range of partners in the private, public, community and voluntary sectors. We are proud of what we have achieved through strong partnership working over recent years, especially our work with town and parish councils. We will continue to seek new and cost-effective ways to work with others to shape and improve services and outcomes for local people.



CUSTOMERS

Our population has a higher percentage of residents over 65 years of age compared to the national average and this is expected to increase from 25% of the current population to 31.5% by 2030. These changes will need to be taken into account as we develop our services over the coming years.

Although not an area experiencing high levels of deprivation, there are some parts of our district which require more support than others, due to factors such as low incomes or social isolation. We will work to ensure that these needs are understood and reflected in the way our services are planned in the future.

We will deliver improvements for customers and communities.

PLACE

The Lewes district is a vibrant and diverse place. Whilst balancing the need for growth we have a commitment to protect our environment, open spaces and countryside.

A recent survey showed that local people living in our towns and villages wish to see affordable housing that fits the local demands and needs of their community. The survey showed that economic regeneration, supporting business and campaigning for improved road/rail infrastructure to be important roles for the Council. These views have been reflected in this Plan.

We will achieve investment in our towns and villages.

VALUE FOR MONEY

The financial future is challenging throughout local government. The funding we receive from central government is likely to reduce significantly over the next few years, ending completely from 2020. We need to find £2.7 million each year if we are to maintain a balanced budget.

At the same time, our 2015 survey indicated that residents would like the Council to keep Council Tax at or below the target rate of inflation. This Plan sets out how we will balance residents' priorities within our diminishing resources.

We will keep close control of our budgets and make the best use of our resources.

Customers

Improved customer service



We will work to improve our customer service by making better use of technology. Our aim is to deliver a better service to customers by joining up our systems and training our staff to handle a wide variety of calls.

In addition we will offer more services on-line, so they can be accessed by customers 24 hours a day, 7 days a week. We will promote and communicate these services which will provide more choice and convenience for our residents.

We will work with our customers to ensure we design our services to meet their needs. We will also continually review our website and online services to respond to customer feedback.

We will achieve this by

- Improving our customer service to ensure more enquiries can be dealt with by speaking to just one person.
- Delivering high quality services for our customers including options to self-serve on our website and increasing use of social media and email alerts.
- Investing in new technology to speed up and improve the service people receive when they contact us.
- Promoting use of the 'Report It' app.
- Introducing a 'My Account' option on the website to enable customers to keep track of their enquiries and applications.

Measuring our success

- Increasing the majority of phone calls answered within 60 seconds.
- Monitoring, acting on and learning from the customer complaints and compliments we receive.
- Satisfaction with the quality of services provided by the Council.
- Increase use of the 'Report It' app.
- Increase proportion of transactions carried out online.

Thriving Communities

Resilient, healthy and engaged communities



The Council will continue to work with its partners to help local communities become stronger and better able to support themselves. Key to this is the provision of good, accessible information and on-going two way engagement with these communities.

Through our Community Safety Partnership we will work to address environmental crime and antisocial behaviour and aim to reduce the fear of crime. 69% of residents feel we are working to make the area safer, a 6% improvement compared to 2008.

With our leisure, tourism and cultural partners, such as Wave Leisure, we will work to promote healthy lifestyles and support people to maintain their health and wellbeing.

We will also continue to work with key voluntary organisations in the area; they provide a range of advice and support services to a wide cross-section of people, also helping vulnerable people to retain their independence.

We will achieve this by

- Continuing to support local people with low incomes by delivering an efficient Housing Benefit service and through our Council Tax Reduction Scheme.
- Working with Wave Leisure and other health partners to provide information and activities to encourage healthy lifestyles, with a particular focus on the needs of specific parts of the district and an ageing population.
- Working closely with our voluntary sector partners (3VA, Lewes Homelink, Sompriti, Citizens' Advice Bureau and AiRS) to deliver key advice services and make effective use of grant funding.
- Improved engagement with local communities, particularly focusing on how we connect with young people, through the delivery of our social media strategy.
- Further develop our relationships with Town and Parish Councils to ensure we work collaboratively on local issues, such as housing, infrastructure and rural isolation through our Neighbourhood First teams.

- Introduce a local lottery for our District to support voluntary and community groups.
- Celebrating a century of women's suffrage through our 'Vote 100' initiative.

Measuring our success

- Keeping the time taken to process claims for housing/council tax reduction below the average time taken nationally.
- Increased participation in leisure activities amongst older people and in rural areas.
- More visitors to our leisure facilities.
- Mystery visit satisfaction score of 80% or more at our leisure centres.
- Increased sign up to the Council's social media channels, particularly by young people.

Housing and Development

Delivering sustainable new housing and infrastructure



In the district the average house price rose by more than 5% in 2017, making it a challenging place for first time buyers as well as those on lower incomes. Lewes is the second most expensive market town in England in which to buy a home. As the housing authority, we have over 1,300 people on our housing register.

As a Council, we have a clear commitment to deliver more new affordable housing. We have established a range of public/private arrangements and a significant Joint Venture (Clear Futures) which will see the Council using its assets to stimulate growth in the housing market at a local level. We have an ambitious house building programme, which will see over 5,800 new market and affordable homes built by 2030.

We recognise the need for infrastructure improvements to support new and existing homes and businesses. Our planning policies and the operation of the Community Infrastructure Levy are aimed at securing such improvements.

We will achieve this by

- Using our planning powers (including our policy to ensure 40% of new housing is affordable) to encourage and enable developers to deliver further, suitable and sustainable housing in the district.
- Working with local communities on Neighbourhood Plans, to guide future land use and identify where housing can be built.
- Campaigning for improvements to the A27 and A259, rail infrastructure and rail services.
- Enabling the delivery of key infrastructure projects in Newhaven, including flood alleviation and the Port access road.
- Investigating the feasibility of providing modular housing in the district.
- Investigating the feasibility of developing a scheme to help address rural housing.
- Working in partnership with towns and parishes to unlock development and growth projects.

Measuring our success

- Delivery of over 1,400 new homes across the district, 40% of these being affordable.
- 10 adopted Neighbourhood Plans in place by 2020.
- Flood Alleviation Scheme delivered to unlock development sites in Newhaven.
- Southern part of Newhaven Port area made accessible for development.

Growth and Prosperity

Prosperous Economy



The district is an outstanding location for business and enterprise with a diverse community of over 4,800 businesses. They employ over 35,000 people from a wide catchment area.

Key sectors include public administration, cultural and visitor services and destinations, creative industries, education and health, retail and manufacturing.

Lewes, Seaford and Newhaven all have rail links to London, Gatwick and the Sussex coast and beyond and we are lobbying for these links to be improved. Similarly, whilst the district benefits from access to the trunk road network, with the A27/A26 linking Lewes and Newhaven to neighbouring Brighton and Eastbourne, we are lobbying for a new A27 dual carriageway. The nearby A23/M23 provides access to London, Gatwick and the M25.

The port of Newhaven offers cross channel passenger and freight services to Dieppe and beyond to northern European. There is great potential to open up a European market with in excess of 450 million customers.

We recognise the importance of inward investment and have an important role to play in enabling new and developing businesses. We will work closely with strategic and economic partners to bring about investment in jobs, skills and training opportunities. This will contribute to the regeneration needed, especially in coastal and rural areas.

With our cultural partners we will present a distinct visitor brand for the district that promotes the vibrant arts and culture on offer.

We will achieve this by

- Progress the Newhaven town centre masterplan and Enterprise Zone to enable extensive refurbishment and revitalisation.
- In Seaford we will provide 30,000 sq. ft of healthcare space through a groundbreaking project to deliver improved health and wellbeing services to Seaford.
- Working with our commercial partners to deliver over 400 new homes (40% of which will be affordable) as part of the North Street Quarter Regeneration Scheme in Lewes.
- Providing advice and support to help businesses to grow and invest through measures such as our innovative LEAP programme.

- In partnership with Eastbourne Borough Council, developing a new tourism, arts, cultural and heritage brand building on the 'Stay Lewes coast and country' approach. ([hyperlink](#))

Measuring our success

- 140,000 sq. ft of commercial space, 330 public car parking spaces and a new 3,695m² health centre in Lewes.
- Clear promotion of the district as a distinct visitor destination to increase the value of tourism to the local economy.
- Support a business award scheme with good uptake from local businesses.
- Level of investment into local businesses secured through partners.
- Enterprise Zone established, resulting in increased occupied commercial floor space in Newhaven.
- Facilitation of Artwave festival in the district.

Quality Environment

Clean and green district



Rightly, our residents value their high quality environment. They believe rubbish and litter is more of a problem now than in 2008. We expect the district to remain a clean and beautiful place to live, work and visit, as a result of continued effort to protect the quality of the local environment.

We have undertaken major investment in our recycling service. This has included introducing garden waste collections, co-mingled kerb-side recycling collections and further promoting our food waste recycling. As a result of this our recycling rate is improving significantly.

Our parks, open spaces and nature reserves are highly valued by local residents and visitors alike. We have a strong track record of environmental enhancement and biodiversity schemes which aim to preserve natural habitats for future generations.

We will achieve this by

- Continue to promote and encourage recycling including garden and food waste.
- Introduce a policy on single-use plastics.
- Exploring opportunities to further develop our commercial waste service.
- Working with our grounds maintenance contractor, Town and Parish Councils and local volunteers, our Neighbourhood First teams to maintain high quality public parks and community spaces.
- Working with the police and other agencies to tackle environmental crime such as litter and fly-tipping through use of our 'Report It' app.
- Working with partners to deliver a high profile campaign to promote cliff safety.
- Enabling flood protection in the upper Ouse.
- Further progressing our air quality plans.

Measuring our success

- Increased levels of recycling including garden and food waste.
- Working with partners to reduce incidents of fly-tipping.
- Progress against our air quality action plans.
- The number of parks and open spaces devolved to local communities.
- Flood defences in Lewes completed in partnership with the Environment Agency.

Value for money

Delivering sustainable services



Having already absorbed cuts of 40% we anticipate that our Revenue Support Grant will be completely withdrawn by 2020. This is challenging but we are already on the way to managing this reduction. We will continue to remain agile and flexible in how we manage our services and deploy our resources within this tightening financial environment.

We have an ambitious capital investment programme which will yield new income streams for the Council. But at the same time, we must continue to explore new ways of delivering services.

A significant element of our future savings is being achieved through our Joint Transformation Programme. This ambitious programme has involved a complete remodelling of our services in collaboration with Eastbourne Borough Council. Through flexible working and best use of modern technology we will provide better customer service whilst delivering savings of £2.7 million per year.

We will achieve this by

The formation of a shared workforce with Eastbourne Borough Council and the full integration of management, services and ICT to:

- Protect services delivered at the same level or better to local residents while at the same time reducing costs for both councils.
- Create two stronger organisations which can operate more strategically within the region while still retaining the sovereignty of each council.
- Meet communities and customers' expectations to receive high quality, modern services focused on local needs and making best use of modern technology.
- Build resilience by combining skills and infrastructure across both councils.
- Develop a shared model of governance that enables the sovereignty and democratic legitimacy of each council to be maintained.

We will ensure that our retained asset portfolio delivers best value in terms of efficiency and running costs. Where an asset is held for investment purposes, we will ensure that the return on investment reflects market conditions.

Measuring our success

- Council tax precept remains below the target rate of inflation.
- Deliver a balanced budget and savings of £2.7 million each year.
- Encourage our residents to self-serve using our website and app enabling 24/7 access.
- Percentage of invoices paid on time.
- Maximising the collection of Council Tax and Business Rates to ensure the council has sufficient finances to provide services to residents.

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Report to:	Cabinet
Date:	2 July 2018
Title:	Joint Equality Monitoring Policy
Report of:	Director of Regeneration and Planning
Cabinet member:	Councillor Elayne Merry (Cabinet Member for People and Performance)
Ward(s):	All
Purpose of report:	To seek approval for a Joint Equality Monitoring Policy
Decision type:	Key Decision
Officer recommendation(s):	(1) to approve the Joint Equality Monitoring Policy set out at Appendix A (2) to delegate authority to the Director of Service Delivery in consultation with the Cabinet Member for People and Performance to make any amendments to the approved text set out in the appendices to the Policy to align with the Census 2021 questions when these are published.
Reasons for recommendations:	An updated Equality Monitoring Policy is required to ensure the Council meets its legal duties under Equality Act 2010 and collects the information required to fulfil its Public Sector Equality Duty (PSED) whilst complying with the General Data Protection Regulation (GDPR) and the Data Protection Act 2018.
Contact Officer(s):	Name: Anthony Howell Post title: Policy and Engagement Coordinator E-mail: Anthony.howell@lewes-eastbourne.gov.uk Telephone number: 01273 085355

1 Introduction

- 1.1 The Joint Equality Monitoring Policy is required in order to underpin the council's approach to ensuring that full consideration of equality and fairness is given in the development, design and delivery of all services and policies and in the recruitment and development of staff.
- 1.2 Section 149 of the Equality Act 2010 imposes a legal duty, known as the Public Sector Duty (Equality Duty), on all public bodies, to consider the impact on equalities in all policy and decision making. The Equality Act 2010 requires all public bodies to promote equal opportunities on all protected discrimination

grounds. The collection of data is required to demonstrate compliance.

- 1.3 The Public Sector Duty (Section 149 of the Equality Act 2010) requires a public authority, in the exercise of its functions, to:
- consider the need to eliminate unlawful (direct or indirect) discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
 - advance equality of opportunity between people who share a protected characteristic and those who do not share it; and
 - foster good relations between people with a protected characteristic and those who do not share it.
- 1.4 The characteristics that are protected by the Equality Act 2010 are:
- Age
 - Disability
 - Gender reassignment
 - Marriage or civil partnership (but only in respect of eliminating unlawful discrimination)
 - Pregnancy and maternity
 - Race - this includes ethnic or national origins, colour or nationality
 - Religion or belief - this includes lack of belief
 - Sex
 - sexual orientation.
- 1.5 The collection and monitoring of information, which includes personal data, assists in setting the framework for the development of Equality and Fairness Objectives and Action Plans, as required under the public sector equality duty (2010), and for the day to day consideration of equality and fairness in council work. This data collection and processing needs to be done in compliance with the Equality Act 2010 and with current data protection legislation.
- 1.6 The Equality Act 2010: Technical Guidance on the Public Sector Equality Duty (PSED) published by the Equality and Human Rights Commission states that, in order to give proper consideration to the aims set out in the PSED general duty, a public authority will need to have 'sufficient evidence of the impact of its policies and practices are having, or are likely to have, on people with different protected characteristics.' The courts have made clear the need to collate relevant information in order to have evidence-based decision making and be able to demonstrate this. Adequate and accurate equality evidence, properly understood and analysed, is therefore regarded as essential for complying with the PSED.
- 1.7 Legislation governing the privacy of personal data has changed recently. The General Data Protection Regulation ('GDPR') came into force across the European Union on 25 May 2018, placing more emphasis on being accountable for and transparent about the processing of personal data. In the UK, GDPR will be supplemented by the Data Protection Act 2018 (when in force) which, among other provisions, repeals the Data Protection Act 1998. Consequently, the council's Equality Monitoring Policy (2012), which relies on the collection of

personal data, needs updating.

- 1.8 Because the information collected to monitor equality and fairness includes personal data, the council's policy on this activity must comply with current data protection legislation, namely the GDPR and the Data Protection Act 1998 or 2018 (as applicable).
- 1.9 The GDPR sets out how personal information can be used by government, companies and other organisations and places a strong emphasis on being accountable for and transparent about our lawful basis for processing data.
- 1.10 Given the requirement to update the 2012 Equality Monitoring Policy of Lewes District Council, the opportunity to develop an aligned policy covering the monitoring practices of equality data across both councils has arisen.
- 1.11 The Joint Equality Monitoring Policy sets the principles under which Lewes District Council and Eastbourne Borough Council, and relevant contractors delivering services on their behalf, will monitor the equality characteristics of staff and service users. The term 'services' covers internal services and functions (such as personnel), as well as services provided for businesses and residents (such as street cleaning).
- 1.12 Equality monitoring supports effective corporate planning and decision-making. It is used to scrutinise access to services; fairness of outcomes, and satisfaction and complaints and assists in the development and delivery of the council's Equality and Fairness Objectives and Action Plans, and with the day to day consideration of equality and fairness in council work. The data collected will be used in the 'functional' equality and fairness assessments carried out across services as set out in the council's Action Plans, and in the equality and fairness assessments completed to inform Members of the impact of their decisions.
- 1.13 The proposed Joint Equality Monitoring Policy will underpin the council's approach to the collection, processing and use of this data in compliance with GDPR and will assist the council in ensuring its recruitment, services, activities, policies and decision-making benefit all sectors of the community and specifically groups protected under the Equality Act 2010 who might otherwise be adversely affected by council decisions and activities.

2 Proposal

- 2.1 Cabinet is asked to approve the Joint Equality Monitoring Policy set out at Appendix A.
- 2.2 The introductory text explains that the Policy has been written with reference to the Equality Act 2010, GDPR and the Data Protection Act 2018. It emphasises that the GDPR places a strong emphasis on being accountable for and transparent about our lawful basis for processing data.
- 2.3 Sections 2 and 3 set out the principles of equality data collection, including the general presumption in favour of equality monitoring, but giving guidance on when equality data should not be collected.

- 2.4 Section 4 deals with the format of monitoring questions and section 5 covers confidentiality and data protection.
- 2.5 Section 6 provides guidelines on how equality data is to be used and explains that a review of the equality monitoring data collected and analysed will be included within Functional Equality and Fairness Reviews to be carried out as part of the development of new strategies, policies and/or services and as part of an agreed programme of functional reviews.
- 2.6 Responsibility for ensuring appropriate collection, processing and use of equality data within their service areas rests with the Heads of Services.
- 2.7 Appendix 1 – Core Text and Questions provides a standardised text to be used in the collection of all equality monitoring data. Appendix 2 – Options for Additional Text is for use only where there is a service need to collect data on one or more additional protected characteristics.

3 Outcome expected and performance management

- 3.1 The expected outcomes of the proposed policy are that employment and other policies and practices comply with equal treatment laws, equal access to services and opportunities provided by the council for all residents and increased fairness, inclusion and participation in activities.
- 3.2 The policy and its appendices will provide officers with clear guidelines to ensure that the council's policies and practices comply with equality legislation and data protection regulations. The principles set out in the policy will allow officers to make a judgement about when they should and should not collect data, what data is appropriate to collect and how this should be processed and used.

4 Consultation

- 4.1 The council consulted in 2018 both on the Joint Equality and Fairness Policy and on its Equality Objectives 2018 to 2021. Given this earlier consultation and that the proposed Policy has been drafted to comply with changes in legislation, it has not been considered appropriate to conduct a separate consultation exercise.
- 4.2 The draft policy was presented to the Joint Equality and Fairness Stakeholder Group who asked that questions on Gender Reassignment be included and that an 'other' option be included in the monitoring forms alongside the 'male/ female' question and alongside the question on sexual orientation.

Whilst these additional questions and options may produce very few responses, they allow people who identify differently to say so, and may provide an indication of changes in the way people identify over time. As there is no prohibition on including these options, the draft policy and standard text options have been amended accordingly.

5 Corporate plan and council policies

- 5.1 The proposed policy will cover all council functions ensuring the recruitment and

development of staff and services to all our customers are fair and inclusive.

6 Business case and alternative option(s) considered

6.1 The proposed policy will ensure the council complies with its legal duties.

6.2 The policy has been drafted in response to changes in legislation and with reference to GDPR, the Data Protection Act 2018 and the Equality Act: Technical Guidance on the PSED. Alternative options have not been considered.

7 Financial appraisal

7.1 Equality monitoring was established following the introduction of the Equality Act 2010 and has, since then, been a regular activity carried out by service teams as part of their ongoing service improvement. The new policy updates and clarifies the principles and processes for equality monitoring but does not introduce any new area of work. There are therefore no direct costs arising from the proposed policy.

8 Legal implications

8.1 The implications of recent changes to data protection law are specified in the body of the report. The privacy of individuals whose personal data are collected and analysed for equality and monitoring purposes must be respected. This is achieved by processes that adhere to current data protection legislation.

Lawyer consulted 24 May 2018

Legal ref: 007349-EBC-OD

9 Risk management implications

9.1 The following risks will arise if the recommendations are not implemented:

- Failure to comply with statutory obligations under the Equality Act 2010 and
- Increased risk of incurring vicarious liability for acts of discrimination, harassment or victimisation in the event of litigation
- Failure to comply with statutory obligations under the Data Protection Act 2018 and GDPR.

10 Equality analysis

10.1 An Equality and Fairness Analysis has been completed for the proposed policy and is available from the report author. No actions have been identified.

10.2 The Analysis sets out the differences between equality monitoring data which may be collected as 'standard'; additional equality monitoring data which may be collected where there is a service need for this; and data which should not be collected, namely on gender reassignment. The Analysis states that the draft policy has been developed with reference to the Equality Act 2010: Technical

Guidance to the Public Sector Equality Duty.

11 Appendices

- Appendix A – Draft Joint Equality Monitoring Policy

12 Background papers

The background papers used in compiling this report were as follows:
(please provide a URL link to each paper)

- Joint Equality Monitoring Policy – Equality and Fairness Analysis
- Joint Equality and Fairness Policy
- Equality Objectives
- [Equality Act: Technical Guidance to the Public Sector Equality Duty : England](#)
- Information Commissioners Office (ICO). Guide to the General Data Protection Regulation (GDPR). <https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/>
- European Commission. European handbook on equality data (2016 revision). http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=54849

Appendix A



Lewes District Council



Working in partnership with **Eastbourne Homes**

Lewes District Council and Eastbourne Borough Council

Joint Equality Monitoring Policy (2018)

The Joint Equality Monitoring Policy has been written with reference to the Equality Act 2010, the General Data Protection Regulation (GDPR) and the Data Protection Act 2018.

The GDPR places a strong emphasis on being accountable for and transparent about our lawful basis for processing data.

Section 149 of the Equality Act 2010 imposes a legal duty, known as the Public Sector Duty (Equality Duty), on all public bodies, to consider the impact on equalities in all policy and decision making. The Equality Act 2010 requires all public bodies to promote equal opportunities in relation to all groups protected under the Act. The collection of data is required to demonstrate compliance.

The Joint Equality Monitoring Policy sets out the principles under which Lewes District Council and Eastbourne Borough Council, and relevant contractors delivering services on the councils' behalf, will monitor the equality characteristics of staff and service users.

The term "services" covers internal services and functions (such as personnel), as well as services provided for businesses and residents (such as street cleaning).

1. Purpose of equality monitoring

1.1 Equality monitoring is used to scrutinise:

- Access to services
- Fairness of outcomes
- Satisfaction and complaints.

It supports effective corporate planning and decision making.

1.2 Equality monitoring helps the council to meet its Equality Duty (Equality Act 2010) to eliminate discrimination, advance equality of opportunity and deliver services that meet the needs of our diverse community.

2. Overall approach

2.1 The approach taken to equality monitoring must be reasonable and proportionate, in accordance with best practice recommendations from the Equality and Human Rights Commission.

2.2 Equality monitoring data will be collected only if it is:

- To be used to scrutinise and improve services;
- Unavailable from other sources;
- Practical to collect – seriously incomplete data cannot be used for scrutiny;
- Relevant to the service – data on age, sex, disability, ethnicity, and residential area will normally be collected. Data on other protected equality characteristics and socio-economic status will be collected if there is a specific need to do so.

3. Applicability

3.1 There will be a general presumption in favour of equality monitoring. However, services will not be required to collect data where:

- The service is universal e.g. it is not necessary to monitor the equality characteristics of all council tax payers;
- There is no request for service e.g. general enquiries;
- The service has no relevance to equality.

3.2 Monitoring data will be recorded for customers and staff members. Where an individual applies to the Council for a service more than once or for more than one service, any equality monitoring data collected with each application will be recorded separately (e.g. three applications in one year by one individual will result in three equality monitoring records).

3.3 Heads of Service will make arrangements for the collection of equality monitoring data by their service area, in accordance with this policy. The arrangements will include consideration of the point at which it is most appropriate to collect equality monitoring data for an individual service. Each service area will set its own working practice e.g. monitoring may be at the point the service is requested, or when it has been delivered. In some circumstances, it may be appropriate to monitor a statistically valid sample of service requests or service units delivered.

4. Format of monitoring questions

4.1 All equality monitoring questions will use the approved Council text, which is based on the questions asked in the 2011 census. The approved text will be reviewed following publication of the questions to be included in the 2021 Census for England and Wales.

4.2 The approved text includes an explanation of the purpose of monitoring and the procedure relating to confidential storage and handling of data.

5. Confidentiality and data protection

5.1 Equality monitoring data must be treated in accordance with the requirements of the Data Protection Bill 2017 and the Council's Data Protection principles and guidance.

5.2 Equality monitoring data will be separated from the rest of the document (e.g. job application, complaint, service request) at the point of receipt by a department. It must not be linked to the processing of the document or request in any way, but if used to monitor fairness, will be linked to a record of the outcome.

5.3 The Heads of Service will be responsible for ensuring that equality monitoring data collected by their department is stored securely and confidentially. Access to the data will be on a strictly need to know basis.

5.4 The Heads of Service will be responsible for ensuring that the data collected by their department is retained for no longer than is necessary, before being securely disposed of / deleted from our systems e.g. information on service uses may be deleted after it has been analysed; information on personnel will form part of their personnel record and will be retained for the duration of their employment.

5.5 Equality monitoring data must not be shared with any other organisations (except relevant contractors) and will only be used for statistical monitoring purposes.

6. Scrutiny

6.1 The Heads of Service will arrange for ensuring equality monitoring data is scrutinised on a regular basis, and compared with benchmarks such as the population profile, to ensure services identify trends or patterns which are unexpected or may indicate differences relating to access, fairness or satisfaction for people who share different equality characteristics e.g. older/younger; male/female etc.

6.2 Heads of Service will be responsible for ensuring that reasonable steps are taken to investigate patterns and trends when appropriate. These steps may include a full equality analysis.

- 6.3 Heads of Service will be responsible for ensuring their equality monitoring arrangements and scrutiny serve the purposes set out in section 1 above, and are focused on service improvement.
- 6.4 Heads of Service will be responsible for taking any appropriate actions which are identified by scrutiny of equality monitoring data, in order to eliminate discrimination, advance equality of opportunity and deliver services that meet the needs of our diverse community.
- 6.5 A review of the equality monitoring data collected and analysed will be included within Functional Equality and Fairness Reviews to be carried out as part of the development of new strategies, policies and/or services and as part of an agreed programme of functional reviews.

Appendix 1 – Core Text and Questions

Appendix 2 – Options for Additional Text

Appendix 1 – Core Text and Questions

Guidance

The core equality monitoring questions are the Council’s “default” position. These questions ask about age, sex, ethnicity, disability and residential area.

The Equality Monitoring Policy explains that data on equality characteristics other than age, sex, ethnicity, disability and residential area must only be collected if there is a specific need to do so. See Appendix 2 for optional text and questions on additional equality characteristics.

The **appearance** of the core text and questions can be altered to suit the style of any document. However, the wording must NOT be altered because it is based on the 2011 Census, and the monitoring results must be comparable over time and between departments.

The Equality Monitoring Policy will be reviewed following publication of the questions to be included in the 2021 Census for England and Wales.

Core Text and Questions

These are given on the next page. The text at the start explains what the respondent should do. There is a data protection statement at the end of the questions which must be included.

Equality Monitoring Questions

Please help us ensure our services are accessible and meet everyone’s needs as fairly as possible by answering the questions on this form. We collect this information to build up an accurate picture of the communities using our services and the outcome of their service requests. Please feel free to leave out questions you do not wish to answer. All the information in this questionnaire is confidential and will be held separately from your personal details or anything identifying you personally.

Please put an ‘x’ in the appropriate box

If you prefer not to fill in any of the boxes, please leave them blank.

Thank you - by completing this form you are helping us to ensure that our services are fair and open to all.

Your name will not be linked to the equality data when we monitor or report on it.

What is your sex?

Male		Female		Other	
------	--	--------	--	-------	--

What is your age?

Under 18		18 - 24		25 - 34		35 - 44	
45 - 54		55 - 64		65 - 74		75+	

What is your ethnic group? Ethnic groups are defined by the 2011 census.

A. White

English / Welsh / Scottish / Northern Irish / British	
Irish	
Gypsy or Irish Traveller	
Any other White background, write in box	

B. Mixed / multiple ethnic groups

White and Black Caribbean	
White and Black African	
White and Asian	
Any other Mixed / multiple ethnic background, write in box	

C. Asian / Asian British

Asian / Asian British	
Indian	
Pakistani	
Bangladeshi	
Chinese	
Any other Asian background, write in box	

D. Black / African / Caribbean / Black British

African	
Caribbean	
Any other Black / African / Caribbean background, write in box below	

E. Other ethnic group

Arab	
Any other ethnic group, write in box	

Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Yes, limited a lot:		Yes, limited a little:		No:	
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Where do you live in the District?

Lewes town		Newhaven		Peacehaven / Telscombe / East Saltdean	
Seaford		Village / countryside north of A27		Village / countryside south of A27	
Outside Lewes District (please say where)					

Data Protection Statement

Lewes District Council collects equality data to monitor fairness – to ensure our services are accessible to all, and that we are meeting the needs of different groups. The responses we receive to equality monitoring questions are separated from other information a person has provided to avoid any risk of bias. The Council stores equality data securely and confidentially. The information is kept no longer than is necessary for monitoring purposes, before being securely disposed of/ deleted from our systems. Equality data is not shared with any other organisations (except authorised external agencies - to ensure diversity and equality needs are met) and will only be used for statistical analysis and reporting.

Appendix 2 – Options for Additional Text

1. Accessibility

You may wish to add text to make the monitoring form more accessible:

This form is also available in big print and other formats.

Please contact

2. Guidelines for use of Optional Equality Monitoring Questions

The core equality monitoring questions set out in Appendix 1 are the Council's "default" position. Those questions ask about sex, age, ethnicity, disability and residential area.

The Equality Monitoring Policy explains that data on equality characteristics other than age, gender, ethnicity, disability and residential area must only be collected **if there is a specific need to do so**. For example, there may be a specific need to ask about the religion or belief of respondents to a survey relating to the Council's cemetery service, because the service should meet the diverse needs of people with different faiths. However, it is much less likely that a parking survey would need to ask such a question.

Where a specific need exists, questions may be asked about religion or belief; sexual orientation; gender reassignment; socio-economic status and/or marital or civil partnership status.

You must seek authorisation from your Chief Officer before including any of the additional optional questions listed below in equality monitoring. Choose only the relevant question(s).

The **appearance** of the optional questions can be altered to suit the style of any document. However, the wording must NOT be altered because it is based on the 2011 Census, and the monitoring results must be comparable over time and between departments.

The Equality Monitoring Policy will be reviewed following publication of the questions to be included in the 2021 Census for England and Wales.

3. Wording for optional equality monitoring questions

Please put an 'x' in the appropriate box.

If you prefer not to fill in any of the boxes, please leave them blank.

Thank you - by completing this form you are helping us to ensure that our services are fair and open to all.

Your name will not be linked to the equality data when we monitor or report on it.

What is your religion?

No religion		Christian		Buddhist		Hindu	
Jewish		Muslim		Sikh		Other	
If you selected 'other' please describe your religion:							

Sexual orientation. Are you?

Bi/Bisexual		Gay woman / lesbian	
Heterosexual / straight		Gay man	
Other			

Does your gender identity match your sex as registered at birth?

Yes		No		Prefer not to say	
-----	--	----	--	-------------------	--

Are you? Please tick all that apply

In paid work...	Not in paid work...
An employee	Retired
On a government-sponsored training scheme	A student
Self-employed or freelance	A carer
Working for your own or your family's business	Looking after home or family
	Long term sick or disabled
	Actively looking for work
	Other (e.g. volunteering)

What is your legal marital or same-sex civil partnership status?

Never married and never registered a same-sex civil partnership		Divorced or formerly in a same-sex civil partnership which is now legally dissolved	
Married or in a registered same-sex civil partnership		Widowed or the surviving partner from a same-sex civil partnership	
Separated, but still legally married or still legally in a same-sex civil partnership			

Data Protection Statement

Lewes District Council collects equality data to monitor fairness – to ensure our services are accessible to all, and that we are meeting the needs of different groups. The responses we receive to equality monitoring questions are separated from other information a person has provided to avoid any risk of bias. The Council stores equality data securely and confidentially. The information is kept no longer than is necessary for monitoring purposes, before being securely disposed of/ deleted from our systems. Equality data is not shared with any other organisations (except authorised external agencies - to ensure diversity and equality needs are met) and will only be used for statistical analysis and reporting.

Report to:	Cabinet
Date:	2 July 2018
Title:	Proposals to develop Environmental Initiatives
Report of:	Ian Fitzpatrick, Director of Regeneration and Planning
Cabinet member:	Councillor Isabelle Linington, Cabinet Member for Environmental Impact
Ward(s):	All
Purpose of report:	To approve a series of environmental initiatives as outlined in recent discussions with Councillors
Decision type:	Key
Officer recommendation(s):	Cabinet is recommended to: <ol style="list-style-type: none">(1) Agree match-funding of up to £5,000 for the provision of drinking water at Newhaven skate park.(2) Authorise the Strategy & Partnership Lead, Quality Environment, to conduct a desk-based feasibility study for the potential of free drinking water provision within council-owned parks and in other public places within Lewes district, working with partners and stakeholders.(3) Agree to support the national ‘Refill’ campaign through social media and as appropriate.(4) Authorise the Strategy & Partnership Lead, Quality Environment, to develop guidance for developers on the provision of underground bins, as part of the wider sustainability planning policy review.(5) Delegate authority to the Director of Planning and Regeneration, in consultation with the Portfolio Holder for Environmental Impact, to bid for funding, supported by an appropriate business case, to invest in electric vehicle (EV) charging technology and infrastructure, working with partners and other local authorities.(6) Authorise the Strategy & Partnership Lead, Quality Environment, in consultation with the Portfolio Holder for Environmental Impact, to prepare a Sustainability Policy to provide a framework for council activities for

consideration and approval at Cabinet later in the year.

(7) Note the launch and progress to date of the 'Single-Use Plastics' project.

Reasons for recommendations:

- (1) The need for drinking water provision at skate parks has been identified by users of the skate parks, but there are insufficient funds within the project budget to allow for the installation costs of the water supply at this site.
- (2) Additional drinking water provision could be made available to the general public in areas of high foot traffic, for example shopping precincts and parks. This will support various initiatives currently prominent in the political and public arena including the reduction of single use plastics and promoting healthy and active lifestyles.
- (3) The 'Refill' campaign, described in paragraph 1.2, has arrived in Lewes district through community activism.
- (4) Underground bins installed as a method of communal waste collection within a significant residential development could be considered for viability, if the guidance were in place.
- (5) A charging point feasibility study will provide for an evaluation of the opportunities available to Lewes District Council (LDC) with regards to EV charging on its own estate in light of the national move towards the provision of this infrastructure and Cabinet-approved changes to LDC planning guidance in support of EV charging facilities.
- (6) The adoption of a set of guiding principles in the form of an overarching Sustainability Policy would bring Lewes DC into line with many other councils nationally. The policy would support planning policy and guidance, guide procurement decisions, potentially reduce costs with regards to energy and waste (through staff education and project initiatives) and generally work to ensure the council has 'its own house in order' before guiding others.
- (7) The Single-Use Plastic (SUP) project started in May as a result of the Council's aim to become SUP free where it is reasonable to do so by 31 December 2018.

Contact Officer(s): **Name: Jane Goodall/Kate Tradewell**
Post title: Strategy & Partnership Lead, Quality Environment
Strategy and Corporate Projects Officer, Quality
Environment
E-mail: jane.goodall@lewes-eastbourne.gov.uk
E-mail: kate.tradewell@lewes-eastbourne.gov.uk

Telephone number: 01273 085383

1 Introduction

1.1 Recent cross-party discussions about a range of potential environmental initiatives led Councillors to identify three issues for further exploration: underground bins; electric vehicle charging; and drinking water provision. These issues have been proposed as national campaigns gain support locally, such as 'Plastic Free', and as a result of a growing interest in the provision of charge points for plug-in electric vehicles (EVs).

Officers have considered the feasibility of these ideas and this report outlines the proposed projects that would result from Cabinet agreement.

1.2 Drinking water provision:

The 2017 YouGov survey commissioned by BRITA UK and Keep Britain Tidy 'Understanding provision, usage and perceptions of free drinking water to the public in the UK' found that more than 70% of people surveyed feel uncomfortable asking for a glass of tap water when out and about and only a quarter know their rights when it comes to asking for a glass of tap water in public buildings and businesses possibly leading them to buy bottled water or other drinks. 59% would be more likely to carry a reusable water bottle if tap water was freely available or they knew that businesses would willingly refill their bottle. The report also revealed that 73% of people would like greater availability of free tap water.

'Refill' is a national, practical tap water campaign launched in Bristol in 2015 by City to Sea, a non-profit organisation aimed to 'connect our actions to our oceans' by running campaigns to prevent marine plastic pollution. Refill aims to make refilling your bottle as easy, convenient and cheap as possible by introducing refill points on every street. Participating cafes, bars, banks, shops, galleries and other businesses simply put a sticker in their window alerting passers-by to the fact that they are welcome to come in and fill up their bottle for free.

1.3 Underground bins:

Underground bins have been utilised in Europe for many years and usually consist of a large underground storage container that is topped with a standard appearance 'access' bin. It is estimated that one underground bin can negate the need for 20 wheelie bins.

Successful use of these bins in the UK has been limited to high density housing developments with a recent successful install in the first phase of the new suburb of Cambridge, Eddington which will eventually consist of 3000 homes, accommodation for 2,000 students, 100,000 sqm academic and research space, a school, community centre, care home, hotel and retail units.

1.4 Electric Vehicle Charging:

The transport sector overtook energy in 2016 as the UK's single biggest source of carbon emissions as energy production has moved away from coal and towards renewables and consumers have opted to purchase larger new cars. Owing to this and wider air quality issues, the Government has announced its intention to ban pure combustion vehicles from sale by 2040 and has created various grant based funding streams to encourage uptake and development of Ultra-Low Emission Vehicle (ULEV) technology.

Vehicle manufacturers are moving towards phasing out fully petrol/diesel vehicles including Volvo, which recently announced it would no longer manufacture new pure combustion engine vehicles from 2019. Although predictions for the take up of ULEVs in the near future are uncertain, the make-up of the new car market is visibly changing with both hybrid and pure electric vehicles undoubtedly increasing.

The use of pure Electric Vehicles (EVs) and Plug-in Hybrids (PHEVs) brings with it a shift change in behaviour with regards to 'fueling' the vehicle, with owners largely charging at home over night and then 'topping up' whenever there is an opportunity. This requires the provision of charging points at sites where vehicles are parked for a variety of durations during the day, including workplaces (longer charges possible) and destinations such as supermarkets, public car parks and leisure facilities (where fast and rapid charges are more suitable).

The Office for Low Emission Vehicles provides funding that currently provides for 75% of the cost of charge points for residential use and could be used to install points within car parks that are sited in areas where residents do not have access to off-street parking and there is limited on-street parking availability. The points would allow for overnight charging of EVs. Sites for consideration may include Little East Street, East Street and Mountfield Road in Lewes; Bay Vue Road, Newhaven and; Sutton Road and Saxon Lane in Seaford as examples.

Reducing emissions from transport and encouraging ULEV take-up will contribute to reducing carbon emissions and improve air quality within the district, working towards meeting objectives within the Council Plan and the County's Local Transport Plan.

2 Outline Proposal

2.1 Drinking water provision:

The provision of drinking water facilities within Lewes district would help to

provide free and accessible tap water to those who need it, whether or not they have a reusable bottle on them, reducing the need to purchase potentially less healthy drinks in single-use containers, on the go. This will support the aims of LDC as agreed at Council in February 2018, to reduce single-use plastics in our community. The installations would need to be supported by wider community-led refill campaigns, which LDC can encourage and support.

As a first step to this project, officers will conduct a desk-based study to assess the potential for drinking water installations in parks and other locations where there is a district-owned and managed water source available, for example at public toilets. Possible locations and costs would then be presented in a later paper to Cabinet. As a guide a typical basic stainless steel water fountain retails around £500. The biggest cost would be the provision of the water supply to the site, the cost of the water and the ongoing maintenance costs that would need to be factored into existing contracts.

2.2 Underground bins:

It is uncertain how suitable these bins are for developments within Lewes district with installation in the existing street scene likely to be problematic and the requirement for a specialist collection vehicle. However, with agreement from Cabinet, officers can carry out further research to establish costs and viability potential with the aim to feed this into the Local Plan Review which was requested by Members at February 2018 Council.

2.3 Electric Vehicle Charging:

Currently, in Lewes District there are two publically available Electric Vehicle (EV) charging devices and 5 at Glyndebourne. Of the LDC chargers, two are 'rapid' and situated in council-owned carparks, one in Newhaven and one in Lewes. The Lewes device has seen a gradual but notable increase in usage since installation. These devices were installed 3 years ago as part of a wider EV South East bid to OLEV for 75% funding that totalled £2.4m, the remaining 25% was funded by the commercial partners who installed the points and provided the back office management.

LDC has drafted technical guidance for developers encouraging provision of EV charge points in new development sites. The guidance will be refined into a policy as part of the Local Plan Review.

East Sussex County Council, as highways authority, is considering its position with regard to authorising on-street charge points, anticipating a policy being developed over the course of this year. Given this, LDC could investigate the feasibility of provision within council-owned parking facilities that are located in areas where there is limited residential off-street parking.

It may be advisable to conduct an initial informal public consultation to determine views on EV charging and future need across the district. A study and possible formal consultation would follow to review potential locations, research with the EST and OLEV with regards to any funding application and seek quotes from installers to gauge total costs, subject to delegated authority provisions.

Management and liability options for the sites would need to be agreed including fee charging models.

2.4 Sustainability Policy:

The sustainability policy would consist of a number of specific core values guided by the generally accepted definition of sustainable development:

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” Brundtland Report, 1987

The core values will echo commitments already made to residents in the Corporate Plan and will direct them as to how we operate our own business. The policy will support the move towards a higher standard of sustainability in the planning process and demonstrate that LDC is considering environmental impacts across the organisation.

2.5 Current project – Single-Use Plastics (SUPs) within council operations:

Since the motion agreed at Cabinet in February 2018, progress has been made towards reducing single-use plastics in the council work place.

The project aims to decrease the use of SUPs in council offices in relation to day to day activities where reasonable to do so; and to introduce a SUP policy to encourage staff to consider SUP alternatives when procuring goods and services.

Audits of council offices across Lewes district and Eastbourne have been undertaken in order to determine the scale of the problem, ‘quick wins’ implemented (such as no longer purchasing plastic cups and removing these items from vending machines where possible) and where items can be substituted for re-usable or non-plastic alternatives within existing budgets this will be done.

3 Outcome expected and performance management

3.1 Drinking water provision:

The project will result in the installation of a suitable and robust drinking water tap at a key location in the district, improving customer perception of facilities provided, support the reduction of single-use plastics, help reduce littering and meet healthy eating objectives by reducing the need to purchase alternative drinks in single-use containers.

The costs of water supply and ongoing maintenance at this location will be monitored, following which feasibility of provision at other sites will be investigated.

3.2 Underground bins:

This investigation will be conducted in conjunction with the wider planning policy review as requested under the resolution from Cabinet February 2018.

Production of any guidance document will be in line with the Local Plan Review timetable.

3.3 Electric Vehicle Charging:

The outcome of this project is anticipated to be the scoping of provision of new electric vehicle charging infrastructure within public car parks at minimal cost to LDC. These would be primarily for local residents with no access to off-street parking to charge their cars but could also be available to others. This would encourage the take-up of plug-in vehicles and support Central Government objectives. This project would be subject to a robust business case.

4 Consultation

4.1 Drinking water provision: skateboard park users have requested access to drinking water as part of the site's redevelopment consultation.

4.2 Anecdotal evidence indicates residents' support for the provision of EV charging infrastructure and further consultation is recommended as part of this report.

5 Corporate plan and council policies

5.1 Corporate Plan: We expect the district to remain a clean and beautiful place to live, work and visit, as a result of continued effort to protect the quality of the local environment.

5.2 19 February Council resolved to:

- allocate up to £50,000 from Reserves to create an environmental Initiatives fund to be utilised in undertaking feasibility and development of the evidence base for a higher standard of environmental sustainability within the planning process, as part of the next Local Plan Review;
- support the aim for Lewes District Council to become 'single-use plastic free' by 31st December 2018

6 Business case and alternative option(s) considered

6.1 Drinking water provision:

The Newhaven skate park is a suitable site for water provision, and the Project Manager can put aside £5,000 from current budget allocation if Cabinet can match fund up to this amount to complete the installation.

Similar provision at the Malling skate park, Lewes, can be considered in due course, when the Environment Agency has given assurances on the viability in terms of risk to flood defences.

East Sussex Highways do not object in principle to the installation of drinking water facilities within the Lewes Pedestrian Precinct, should this be considered an option in future, provided the design, size and location are acceptable to them and the District Conservation Officer. At this time costs are unknown and a feasibility study would need to be conducted to assess the viability of such an

installation and the approach that would be taken to its design.

6.2 Electric Vehicles:

Currently OLEV grant funding currently provides two options:

(a) A workplace charge scheme that is limited to £300 for each socket up to a maximum of 20 across all sites for each application. Only one application can be made. There needs to be either an existing need or the intention to encourage uptake of personal or fleet EV's within the organisation.

(b) An on-street residential scheme. A known barrier to uptake of EV's is the limited availability of off-street parking. This scheme aims to provide access to on-street parking charge points to meet the needs of local residents through provision of a 75% grant for capital costs of procuring and installing the device and parking bay with a maximum of £7,500 per device. Applicants need to demonstrate a commitment to providing these facilities and must secure a minimum of 25% capital funds via sources other than OLEV. As per the previous bid, this could possibly be found through commercial partners. This funding can be applied to provision in car parks where there is no off-street parking for residents and access is possible overnight.

East Sussex County Council, as highways authority, has advised that its position with regard to on-street charge points is under consideration, either as new street furniture or integrated into existing assets (such as lampposts).

Management and liability options for the sites would need to be resolved at Cabinet at a later date, including fee charging models.

7 Financial appraisal

- 7.1 A £5,000 contribution towards the cost of providing a drinking water supply at Newhaven Skate Park can be financed from the 2018/2019 Service Priorities budget.

8 Legal implications

- 8.1 Under the Localism Act 2011 section 1, the general power of competence, the Council has the power to do anything that an individual can do that is not specifically prohibited or to which a more particular power or duty does not apply. The actions proposed in this Report fall within this power. Report considered by Legal on 29 May 2018 (IKEN-7391- LDC- MW).

9 Risk management implications

- 9.1 The proposals within this report are strategic in nature and the risks in not pursuing these opportunities are in part reputational. On the matter of installing drinking water facilities, the project manager is aware of the potential risks of vandalism and will seek to mitigate these through design and monitoring.

10 Equality analysis

10.1 Action arising from the Equality Analysis: design of any drinking water installation must be accessible to disabled park users.

11 Appendices

- None

12 Background papers

The background papers used in compiling this report were as follows:

- [Equality Analysis](#)

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Report to:	Cabinet
Date:	2 July 2018
Title:	Affordable Housing Supplementary Planning Document (SPD)
Report of:	Strategic Policy Officer
Cabinet member:	Councillor Tom Jones (Cabinet member for Planning)
Ward(s):	All wards outside the National Park
Purpose of report:	To seek Cabinet endorsement of the Affordable Housing Supplementary Planning Document (SPD) for formal adoption at Full Council on 16 July 2018.
Decision type:	Budget and policy framework
Officer recommendation(s):	(1) That Cabinet endorse the Affordable Housing SPD as set out in Appendix 3, and recommend its adoption by Full Council. (2) That Cabinet delegate authority to the Director of Regeneration and Planning in consultation with the Cabinet portfolio holder to make any minor or technical adjustments found necessary in the Affordable Housing SPD before it is presented to Full Council.
Reasons for recommendations:	(1) There is an ongoing and increasing need for the provision of affordable housing in the Lewes District, as rent costs and the price of home ownership rises. (2) There are challenges regarding the delivery of affordable housing. A significant proportion of affordable housing is delivered through the planning system. The Affordable Housing SPD will provide the Council with a policy reference point with weight during negotiations, better enabling the Council to deliver much needed affordable dwellings. (3) The SPD builds upon and provides more detailed advice and guidance on Core Policy 1 and Core Policy 2 of the Lewes District Local Plan Part 1 – Joint Core Strategy (2016). This will provide developers and housing providers with a useful reference point, making the planning process more efficient and effective

Contact Officer(s): **Name: Anthony Howell**
Post title: Policy and Engagement Co-ordinator
E-mail: Anthony.howell@lewes-eastbourne.gov.uk
Telephone number: 01273 085355

Information

1. Introduction

- 1.1 There is an ongoing need for the provision of affordable housing in the Lewes District. Census data demonstrates that overall, households within the district experienced a decrease in home ownership from 2001 to 2011, both in percentage of all households and number. The number of households renting in the private sector doubled over the period, with the percentage of households privately renting almost doubling. The increasing reliance on the private rented sector is likely to cause the cost of renting to increase and hinder those on relatively lower incomes to access housing in this sector. The Lewes District Local Plan Part 1 – Joint Core Strategy (2016) explains that long term pressures of housing supply and affordability remain.
- 1.2 A significant proportion of affordable housing is delivered through the planning system. As part of planning permissions, Local Plan policy requires that applicants for housing developments make a contribution towards the delivery of affordable housing, either onsite or elsewhere in the district.
- 1.3 To provide a detailed explanation in support of the implementation of Core Policy 1 and Core Policy 2 of the Local Plan, and in reference to changes in national policy and updated information on development viability, Lewes District Council has prepared an Affordable Housing Supplementary Planning Document to set out the position relating to affordable housing contributions sought from development.
- 1.4 A Supplementary Planning Document (SPD) is a planning policy document that builds upon and provides more detailed advice or guidance on the policies in a Local Plan. SPDs are material planning considerations in the determination of planning applications.
- 1.5 The Affordable Housing SPD provides detailed explanation in support of the implementation of Core Policy 1: Affordable Housing, and Core Policy 2: Housing Type, Mix and Density of the Lewes District Local Plan Part 1 – Joint Core Strategy 2010 - 2030 (adopted 2016). It contains advice relating to the standards required of the range of residential sites in order to deliver the affordable housing necessary to meet local needs.

- 1.6 A draft Affordable Housing SPD was published for consultation with the local community and other stakeholders for an 8 week period between 30 November 2017 and 25 January 2018. The results of the consultation are detailed in this report.
- 1.7 The Affordable Housing SPD now needs to be adopted by Full Council, following endorsement from Cabinet. Once adopted, the Affordable Housing SPD can be used to help secure affordable housing contributions from development.

2. Background

- 2.1 The Lewes District Local Plan Part 1 – Joint Core Strategy contains Core Policy 1: Affordable Housing, which required a district wide target of 40% affordable housing from developments of 10 or more dwelling units. The policy also required that for developments of less than 10 units, affordable housing would be sought according to a stepped target which begins at 3 units. The level of affordable housing contribution may be determined on a site by site basis where justified by market and/or site conditions, where the local planning authority is satisfied by robust financial viability evidence that development would not be financially viable at the relevant target level.
- 2.2 However, in November 2014 the Government published a Written Ministerial Statement (WMS) whereby developments of less than 11 units would be exempt from affordable housing contributions. This position has since been transposed into national planning guidance.¹ This means that Core Policy 1 could no longer be implemented as it was originally intended and contributions could only be sought from developments of 11 units or more.
- 2.3 The Affordable Housing SPD presents Lewes District Council's position regarding affordable housing, explaining the type of affordable housing to be sought, the indicative values used to calculate commuted sums, how any commuted sum payments will be calculated, takes account of the changes to the contribution thresholds, and also explains the considerations which will be taken into account when assessing the viability of development.
- 2.4 The Affordable Housing document previously took the form of a Policy Guidance. The Policy Guidance was consulted on from 1 September to 13 October 2016, and from 2 February to 2 March 2017. From these consultations, and with reference to the upcoming consultation for the Lewes District Local Plan Part 2, it is now thought that adoption of the Affordable Housing document as a Supplementary Planning Document would provide the Council with a detailed approach to compliance with policy, carrying weight

¹ Paragraph: 031, Reference ID: 23b-031-20161116. <https://www.gov.uk/guidance/planning-obligations>

during negotiations, enabling a more efficient planning system and contributing to the efforts of the Council to deliver much needed affordable homes.

3. Approach to Affordable Housing Contributions

- 3.1 National Planning Practice Guidance is clear that planning obligations, including those in the form of affordable housing contributions, should not prevent development from coming forward.²
- 3.2 In order to take account of development viability, the Affordable Housing SPD divides the District into 'High Value' and 'Low Value' Market Areas, based on research by the District Valuation Service and which reflects the disparity between house prices and impacts on the viability of development.
- 3.3 Since the introduction of the national threshold, an affordable housing contribution will be required where a development results in the creation of 11 or more residential units. The strong presumption is that the affordable housing contribution will be delivered on-site, unless off-site provision or a financial contribution (commuted sum) in lieu of on-site provision can be robustly justified.
- 3.4 Through Core Policy 1, the starting point for affordable housing contributions is set at 40% on developments of 11 or more units, in both 'High Value' and 'Low Value' Market Areas. For example, for a development of 15 residential units, the affordable housing contribution would be 6 affordable units (40% x 15 units = 6 units).
- 3.5 Where evidence proves this level of contribution will not result in a viable development, the contribution can be negotiated to a level that will enable the development to be viable.
- 3.6 The Affordable Housing SPD sets out:
 - Policy requirements for the delivery of affordable housing on all residential development sites;
 - Type and standard of affordable housing that is likely to be sought;
 - Assessment of financial viability of the development;
 - Calculation of any commuted sum payments;
 - Delivery agencies for the affordable housing.

² Paragraph: 004 Reference ID: 23b-004-20150326. <https://www.gov.uk/guidance/planning-obligations>

4. Planning Application Process

- 4.1 The SPD provides a detailed summary of the stages involved in seeking affordable housing contributions, from the pre-application stage through to submission and determination of a planning application.
- 4.2 Applicants are encouraged to undertake pre-application discussions to discuss financial viability to deliver the affordable housing requirements. During these discussions, regard will be made to:
- The viability of development, considering the need and cost of supporting infrastructure on and off the site and any unavoidable and necessary site remediation to resolve environmental hazards;
 - The location and character of the site;
 - The tenure of affordable housing and type of dwelling units required in relation to the housing needs and the viability of specific developments;
 - The current availability of affordable housing in the local area when measured against demand for such accommodation; and
 - Any updated national policy and/or guidance to be implemented.
- 4.3 If a developer considers that the mandatory requirements of the affordable housing policy cannot be met on a particular site, the representation must be justified in an evidenced and 'open-book' financial viability assessment and supporting statement, including all necessary information to demonstrate and justify residual values. If the independent opinion of a viability expert is required to corroborate the evidence, this cost will be at the expense of the applicant.

5. Commuted Sums

- 5.1 If it is not possible to deliver affordable housing on-site or off-site, or if the required contribution results in a percentage of an affordable unit to be delivered, then a commuted sum payment will be considered. The SPD sets out how commuted sums will be calculated.
- 5.2 The SPD sets out an affordable housing payment table, which identifies the required financial contribution per square metre for different types and sizes of development, arranged by market value area. This is used to calculate the total financial contribution required to contribute to affordable housing.

6. Delivery

- 6.1 The Regulator of Social Housing (RSH) is responsible for registering and regulating providers of social housing. RSH maintain a Statutory Register of

Providers of Social Housing (the register), which lists private (both not for profit and for profit) and local authority providers. However, Lewes District Council is willing to work with housing providers which are not registered with RSH as well as those housing providers which are registered with RSH, in order to maximise the opportunities to provide affordable housing in the Lewes District. Affordable housing should be delivered by housing providers that have a strong stake within the Lewes District area. The choice of housing provider should be agreed upon by the developer with the Council.

- 6.2 For all planning applications where an affordable housing requirement has been agreed, applicants will be required to sign a Section 106 Agreement. The purpose of the agreement is to ensure the affordable housing complies with the Council's housing and planning policies, to help ensure that affordable housing is offered to local people most in need, and to require that affordable housing is retained as affordable housing in the future.

7. Consultation

- 7.1 A Draft SPD was published for consultation for an 8 week period between 30 November 2017 and 25 January 2018. During the consultation on the Affordable Housing SPD, a total of seven representations were received. This included representations from Ringmer Parish Council; Historic England; CPRE Sussex; Peacehaven Town Council; the South Downs National Park Authority; Tetlow King Planning on behalf of Rentplus UK Ltd; and one individual.

- 7.2 The representations and the recommended officer responses to the representations are contained in Appendix 1. A schedule of changes recommended in light of those representations is provided as Appendix 2. An amended version of the Affordable Housing SPD as a result of the recommended changes is provided as Appendix 3. A summary of the main issues raised during the consultation is provided below.

7.3 Emerging South Downs National Park Authority Policy

- 7.3.1 A representation raised the concern that it was not clear within the SPD that all relevant developments that take place within the South Downs National Park (SDNP) will be subject to policies set out in the South Downs Local Plan.
- 7.3.2 The emerging South Downs National Park Authority affordable housing policy will differ from Core Policy 1 of the Lewes District Local Plan Part 1 – Joint Core Strategy (2016), in terms of thresholds and the number of affordable housing units sought. To explain this within the SPD would clarify matters and help to avoid confusion, assisting an efficient and effective planning process.

7.3.3 Therefore it is considered that the SPD should clearly state that all relevant developments within the SDNP will be subject to policies set out in the South Downs Local Plan, once adopted. To add further clarity, it would be beneficial to delete references to the SDNP and 'designated rural areas (i.e. the National Park part of Lewes District)'.

7.4 Dwelling Mix

7.4.1 Three representations raised the concern that the dwelling mix set out in the SPD may be too prescriptive and would not be suitable for particular areas of the district.

7.4.2 The SPD sets out an expectation for the dwelling mix of affordable housing units within each development. Evidence from the Housing Register generally points to a need for approximately 50 per cent of dwellings to be one bedroom for example, across the district and often in the case of rural areas.

7.4.3 However, it is accepted that setting out the expected dwelling mix may appear too prescriptive and may seem to neglect local circumstances at the parish or town level. Therefore, the SPD should be sufficiently flexible to accommodate local circumstances and improve the provision of affordable homes in line with the needs of the local community.

7.4.4 As such, it is considered that the SPD should be amended to make clearer the intention of the local planning authority to negotiate the appropriate dwelling mix on a site by site basis based upon the latest evidence of needs in the site locality.

7.5 Definition of Affordable Housing

7.5.1 Two representations raised a concern about the definition of 'affordable housing'. One queried whether the figures were accurate and asked whether the housing cost figures would be amended to include the costs of highways infrastructure.

7.5.2 The SPD necessarily covers something of a niche area and has not been formulated as a catch all document. It is not within the scope of the Affordable Housing SPD to consider issues relating to highways infrastructure, for example.

7.5.3 The market price of each type of housing was independently assessed by the District Valuation Service in summer 2016, and is based on the average sales values for open market values in both high value and low value market areas. It is therefore considered that the information set out in the SPD is an accurate reflection of local circumstances.

- 7.5.4 One representation noted the Government has been proposing changes to the definition of affordable housing which is soon due to be formalised in the publication of a revised NPPF. The Council should be mindful that the definitions set out in the SPD may require revision in the near future to reflect the latest national policy definitions.
- 7.5.5 The Council is mindful that the Government has been proposing changes to the definition of affordable housing, and that the definitions set out in the SPD may require revision to reflect the latest national policy definitions, once finalised and in place.
- 7.5.6 The SPD has been developed to be sufficiently flexible enough to accommodate changes to national and local policy. The SPD will be reviewed regularly and in reference to changes to national policy, local policy and local evidence. Therefore, it is considered that by reviewing the document regularly, this will enable any further definitions to be included within the SPD, when and if necessary.

7.6 Space Standards

- 7.6.1 A representation raised the concern that the Council will seek to impose the nationally described space standards through the SPD, and this is not appropriate as the Planning Practice Guidance specifically allows for the standard to be introduced through Local Plan policies alone. The Core Strategy states at paragraph 7.24: 'Specific standards for each type and size of dwelling are not proposed so as to ensure flexibility to meet the identified local need as this may change over time and/or differ by location.'
- 7.6.2 The SPD explains that it should be used as a guidance tool from the earliest stages of the development process of any site. The SPD also explains that the Council's planning team will advise on the exact tenure, type and size split on each site through pre-application discussions ' With reference to this, the nationally described space standards will not be imposed through the SPD. The nationally described space standards are seen as a guidance and general expectation, which can be discussed for each development.
- 7.6.3 However, it is considered that to avoid confusion, the SPD can further explain and explicitly state that the nationally described space standards not a stipulation, but are a guideline for space provision in housing development, including affordable housing, to ensure that development protects the residential amenity of existing and future residents.

8 Conclusion

- 8.1 The Affordable Housing SPD has been prepared to provide detail on the implementation of Lewes District Local Plan Part 1 – Joint Core Strategy 2010 - 2030 (adopted 2016) policies Core Policy 1: Affordable Housing, and Core Policy 2: Housing Type, Mix and Density, specifically in relation to affordable housing contributions.
- 8.2 Public consultation was undertaken on a draft Affordable Housing SPD, resulting in seven representations being received. As a result of these representations, a number of modifications to the Affordable Housing SPD are recommended.
- 8.3 In order for the Affordable Housing SPD to be formally adopted, it requires approval from Full Council. Cabinet are requested to endorse the Affordable Housing SPD and recommend to Full Council that the Affordable Housing SPD be formally adopted.

9 Financial Appraisal

- 9.1 There are no financial implications to the Council as a direct result of this report. The cost of the publication of the Affordable Housing SPD will be met from the service budget.

10 Legal Implications

- 10.1 The Affordable Housing SPD has been prepared in order to comply with Regulations 12 and 13 of the Town & Country Planning (Local Planning) (England) Regulations 2012, and with regard to the requirements of the National Planning Policy Framework.
- 10.2 Regulation 12 requires that before the SPD is adopted, a statement setting out details of those consulted when preparing the SPD, together with a summary of the main issues raised, must be prepared. Any relevant issues raised during the consultation will need to be addressed in the SPD. The Statement of Consultation is a background paper to this report.
- 10.3 Following adoption, there is a three month period where any person aggrieved by the decision to adopt the SPD may make an application to the High Court for judicial review. Any application for judicial review should be made promptly and in any event, no later than 3 months after the date of adoption (i.e. no later than 17 October 2018). Legal Implications Provided 06.06.18 - 6543-LDC-JCS

11 Risk Management Implications

11.1 The Council's reputation and ability to facilitate housing development may be hindered if the SPD is seen by developers as overly stringent. However, the SPD states that the Council recognises there will be variation in circumstances, and will assess each development on a site-by-site basis. The SPD has been drafted with a focus on discussions and collaboration rather than taking a prescriptive approach.

12 Equality Screening

12.1 An Equalities and Fairness Impact Assessment has been undertaken. The assessment demonstrates that the Affordable Housing SPD is unlikely to have any significant impact on equalities and fairness.

Background Papers

- Lewes District Local Plan Part 1 – Joint Core Strategy 2010 - 2030 (adopted 2016)
- Affordable Housing Supplementary Planning Document (LDC, 2018)
- Affordable Housing SPD Sustainability Appraisal Screening Report (LDC, 2017)
- Affordable Housing SPD – Statement of Consultation (LDC, 2018)
- Affordable Housing SPD Equalities and Fairness Impact Assessment (LDC, 2017)
- National Planning Policy Framework (DCLG, 2012)
- Town & Country Planning (Local Planning) (England) Regulation 2012

To inspect or obtain copies of the background paper, please refer to the contact officer listed above.

Appendix 1: Table of Representations Received on the Lewes District Council Draft Affordable Housing SPD

Rep ID	Name	Representation	Officer Response
AH-SPD:1	Robert Robertson	Response to question - The method for calculating commuted sums is not easy to follow.	Section 5 of the Affordable Housing SPD sets out commuted sums in detail and provides two worked examples to assist with calculations. Appendix C: Commuted Sums: Indicative Values also provides a table setting out the indicative values of commuted sums for various numbers of affordable housing units and for different dwelling types. It is thought that with the text provided and by following the methodology as set out in the worked examples, this is adequate in explaining how to calculate a commuted sum.
AH-SPD:2	Robert Robertson	No definition of "commuted sum" is given prior to the method description. The sentence structures are long and convoluted containing references to other obtuse references. The explanation is not transparent to a lay person.	The SPD is a planning policy document that builds upon and provides more detailed guidance on the policies contained in the Local Plan. Whilst we have tried to keep the document as easy to follow as possible, it necessarily makes references to terms which could be seen as somewhat niche or technical. A definition of 'commuted sum' may help to clarify what is being discussed within the SPD. However, a standard or official definition of 'commuted sum' is difficult to locate. It is proposed that the following definition of commuted sum is included in Section 2 (Definitions): A commuted sum (or payment in lieu): A sum in lieu of affordable housing payable by a developer to the local authority, either because delivery on site is assessed as unviable and is agreed by the Council, or where a financial contribution in lieu of a percentage of a unit is required.
AH-SPD:3	Robert Robertson	Response to question - Does not know whether the level of commuted sums sought are reasonable and justified.	A comparison of the commuted sums calculated using the LDC method and that of other local authorities was undertaken during the formation of the SPD. The results showed that of those local authorities, LDC compares favourably in terms of the level of commuted sums it would

Rep ID	Name	Representation	Officer Response
			<p>seek.</p> <p>Analysis also indicates that the value of development to a developer is higher when they provide no affordable housing and instead pay a commuted sum, than when they provide 40 per cent affordable housing onsite (with a commuted sum for 0.4 of a unit).</p>
AH-SPD:4	Ringmer Parish Council	<p>COMMENT on Para 3.11: While the attempt to match the provision of different sizes of affordable housing to need is welcomed (and should also be applied to market housing) Para 3.11 as it stands is too prescriptive. It should be amended at least for rural areas to ensure that provision in each rural community matches that community's need. Rural need should be assessed in consultation with the rural community concerned. Wording such as that in South Downs National Park Draft Local Plan policy SD29(2) would be more appropriate.</p> <p>Reason: One size does not fit all, as has already been recognised in requirements for car parking provision. Rural villages can provide an excellent environment for families, but rural living involves exceptionally high transport costs for working-age households. This is especially important for single people needing social housing, whose incomes are often very low. This precludes private transport, and means they cannot afford to patronise village shops. Such people can easily become both impoverished and socially isolated. The proportion of 1-bed units proposed may well be appropriate for the District overall but is not appropriate for Ringmer's needs,</p>	<p>Whilst evidence from the Housing Register generally points to a need for approximately 50 per cent of dwellings to be one bedroom across the district, and often in the case of rural areas, it would be beneficial and appropriate to take local need into consideration.</p> <p>It is accepted that Para 3.11 may appear as too prescriptive and may seem to neglect local circumstances at the parish or town level. The Council proposes changing the paragraph to say:</p> <p>'Information gathered from the Council's Housing Register provides an indication of the need for each dwelling type. With reference to this, the Council will expect the affordable housing units within each development to be provided <i>broadly</i> in line with the dwelling mix set out below. <i>The local planning authority will negotiate the appropriate dwelling mix on a site by site basis based upon the latest evidence of needs in the site locality.</i></p> <p>1 bedroom: 50 per cent; 2 bedrooms: 30 per cent; 3 bedrooms: 15 per cent; and 4+ bedrooms: 5 per cent.'</p>

Rep ID	Name	Representation	Officer Response
		as expressed in the Ringmer Neighbourhood Plan.	
AH-SPD:5	Ringmer Parish Council	<p>COMMENT on Para 9.2: Para.9.2 should be changed so that the policy is reviewed if house prices change significantly (compared to prices in general) in either direction, up or down.</p> <p>Reason: To maximise the delivery of affordable housing without jeopardising the economic viability of overall housing delivery.</p>	<p>Paragraph 9.2 refers to 'a fall of 10 per cent or more in East Sussex average house prices'.</p> <p>The trigger of a fall of 10 per cent or more in East Sussex average house prices is seen as adequate for this particular document. A significant fall in house prices has the potential to negatively impact upon the viability of development schemes and consequently to impact upon the number of affordable housing units being provided. The likelihood is that a rise in house prices would not negatively impact upon the viability of a scheme.</p> <p>However, as the Market Value (MV) completed unit research was assessed by the District Valuation Service in Summer 2016, a more appropriate gauge would be a fall of 10 per cent or more in East Sussex average house prices: Land Registry House Price Index <i>June 2016</i> baseline, rather than the Land Registry House Price Index June 2011 baseline figure.</p>
AH-SPD:6	Alan Byrne, Historic England	Historic England has no comment to make on the draft Affordable Housing SPD the contents of which fall outside our area of responsibility.	Comments noted.
AH-SPD:7	John Kay, Lewes branch CPRE Sussex	<p>This comment is about Policy 3.11, which proposes 50% 1-bed units for affordable housing throughout the District.</p> <p>This proportion is much too high for the village I live in, and I am sure for other villages too. As a Citizens Advice adviser I regularly encounter single people of working age but unable, for one reason or another,</p>	<p>Whilst evidence from the Housing Register generally points to a need for approximately 50 per cent of dwellings to be one bedroom across the district, and often in the case of rural areas, it would be beneficial and appropriate to take local need into consideration.</p> <p>It is accepted that Para 3.11 may appear as too prescriptive and may seem to neglect local circumstances at the parish or town level. The Council proposes changing the paragraph to say:</p>

Rep ID	Name	Representation	Officer Response
		<p>to work. They often have as little as £73 per week to live on (from Employment and Support Allowance or Job Seekers Allowance). From this they have to cover all their living costs including all utilities and 20% of their council tax. This puts extreme financial pressure on them. They certainly cannot afford private transport (without which rural life is difficult), they cannot afford to use village shops, and the cost of rural bus services (where available) is a very heavy burden, even at one trip to town per week. Most people in this situation want and need to be accommodated in towns, where they can more easily and cheaply access the facilities they need.</p> <p>Thanks to additional support such as Child Tax Credits the financial situation of poorer families is much less acute. There are also tremendous advantages of a rural environment for families with children. Those wishing to access shared equity housing in rural areas are also much more likely to be families than individuals. Whenever my village has participated in exception site developments for local people the priority has always been for 2-bed and 3-bed family housing.</p> <p>Policy 3.11 should thus be revised to exclude the rural areas. It should also be revised to apply only to affordable-rented housing in urban areas, as the pattern of demand for shared equity housing is likely to be very different.</p>	<p>'Information gathered from the Council's Housing Register provides an indication of the need for each dwelling type. With reference to this, the Council will expect the affordable housing units within each development to be provided <i>broadly</i> in line with the dwelling mix set out below. <i>The local planning authority will negotiate the appropriate dwelling mix on a site by site basis based upon the latest evidence of needs in the site locality.</i></p> <p>1 bedroom: 50 per cent; 2 bedrooms: 30 per cent; 3 bedrooms: 15 per cent; and 4+ bedrooms: 5 per cent.'</p> <p>In terms of tenure, the SPD also sets out Core Policy 1: Affordable Housing, which states 'The local planning authority will negotiate the appropriate tenure split on a site by site basis based upon the latest evidence of needs in the site locality.'</p> <p>This will ensure the SPD is sufficiently flexible enough to accommodate local circumstances.</p>
AH-SPD:8	Claire Lacey,	Affordable housing. P 20 – the term 'Affordable' is a	The definition of affordable housing is the standard definition taken from

Rep ID	Name	Representation	Officer Response
	Peacehaven Town Council	<p>concern. The prices quoted for 2 bedroom Flats is far higher than the price of 2 bedroom houses. IS this an accurate representation of 2018 cost of housing in Peacehaven and how does it compare with other areas within the District? Have the costs of Affordable homes included the cost of Mortgage, Maintenance and Rent? And how is this qualified?</p> <p>Affordable Housing. P 20 – There is also a concern that ESCC Highways are adopting a policy that internal roads on new estates (such as Lower Hoddern Farm development would NOT be adopted but handed over to a management company. This will put an extra cost burden on the householder. Would you confirm whether all new roads would or would not be adopted and amend the approximate costs on housing within the Strategy.</p>	<p>the National Planning Policy Framework.</p> <p>The SPD is a planning policy document that builds upon and provides detailed guidance on the policies in the Local Plan. As mentioned in paragraph 1.6 SPDs are material planning considerations in the determination of planning applications.</p> <p>The SPD is intended to instruct the Local Planning Authority, developers, agents, landowners and other stakeholders in relation to policy requirements concerning delivery of affordable housing on all residential development sites, calculations of any commuted sum payments, and the planning process, including assessment of financial viability of developments, for example. In this respect, it is necessarily covering something of a niche area and has not been formulated as a catch all document. It is not within the scope of the Affordable Housing SPD to consider issues relating to highways infrastructure.</p> <p>Appendix B: Commuted Sum Methodology of the SPD mentions that the Market Value completed unit was independently assessed by the District Valuation Service in Summer 2016, and is based on the average sales values for open market values in both high value and low value market areas. Each type of dwelling in each of the MV areas has been independently assessed and is based on information including Land Registry data and detailed market sales research across all regions of the district.</p> <p>The district has been split into two value areas. The Low Value Market Area consists of Peacehaven, Newhaven and Seaford along the coast.</p> <p>In this respect, this is a reasonably accurate reflection and is suited to the purpose of the Affordable Housing SPD.</p>

Rep ID	Name	Representation	Officer Response
AH-SPD:9	Lucy Howard, South Downs National Park Authority	We suggest that there needs to be much clearer statements in the Lewes SPD that it will apply only to Lewes District outside the National Park.	<p>With the SDNPA in the process of adopting their own affordable housing policy for the area of the district for which the SDNPA are the planning authority, it is agreed that confusion should be avoided and the areas covered by the Lewes District Council SPD should be clearly stated.</p> <p>In addition, references to SDNP and 'designated rural areas (i.e. the National Park part of Lewes District)' can be deleted. Paragraphs 1.3; 1.8; 3.3; 4.3, 4.4; 4.10; 5.1; and Appendix A: Map of High and Low Value Market Areas can be edited for clarity.</p>
AH-SPD:10	Lucy Howard, South Downs National Park Authority	There should also be a statement to clearly say that all relevant developments that take place within the National Park will be subject to policies set out in the South Downs Local Plan, in particular Policy SD28 Affordable Housing (albeit there may need to be a caveat that full weight will only apply on adoption of the Local Plan, which at the time of the Lewes SPD publication will be undergoing examination).	<p>It is agreed that the SPD should clearly state that all relevant developments within the SDNP will be subject to policies set out in the South Downs Local Plan, once adopted.</p> <p>To this end, the introduction of the SPD will state: 'All relevant developments within the South Downs National Park will be subject to policies as set out in the Joint Core Strategy and emerging South Downs Local Plan. Once adopted by the South Downs National Park Authority the South Downs Local Plan will replace entirely the Joint Core Strategy.'</p>
AH-SPD:11	Lucy Howard, South Downs National Park Authority	<p>Para: 1.3</p> <p>Current wording: To address these issues, in reference to the Planning Practice Guidance, the Council will implement Core Policy 1 with a target of 40 per cent affordable housing on the site of new developments of 11 or more residential units. In designated rural areas (i.e. the National Park part of Lewes District), affordable housing, or financial contributions towards the provision of future affordable housing in the form of a commuted sum,</p>	<p>With references to the SDNP being deleted from the LDC SPD, and by explicitly stating that 'all relevant developments in the South Downs National Park will be subject to policies as set out in the South Downs Local Plan' elsewhere in the LDC SPD, this should clarify any uncertainty as to whether the LDC SPD refers to the area covered by the SDNPA, including Core Policy 1.</p> <p>To provide extra clarity, Box A of the SPD which sets out Core Policy 1 will be edited, the title changed to 'Box A: Core Policy 1 - Affordable Housing, applicable within the Lewes District Council Planning Authority boundary'. The text will also be edited to remove references to</p>

Rep ID	Name	Representation	Officer Response
		<p>will be sought on developments of 6 or more residential units.</p> <p>Change suggested and reason: Clarification that Core Policy 1 will only apply in Lewes District outside of the National Park, and that SDLP Policy SD28 will apply in the South Downs National Park. Remove reference to threshold of 6 units in the National Park.</p>	<p>the South Downs National Park.</p>
AH-SPD:12	Lucy Howard, South Downs National Park Authority	<p>Para: 1.4</p> <p>Current wording: ...where replacement affordable units are not being provided by the developer on another site agreed with the Council, it will be necessary to secure the due affordable contribution in the form of a commuted payment.</p> <p>Change suggested and reason: Note that SDLP Policy SD28 does not allow for provision on an alternative site. This comment will automatically be addressed if change suggested to 1.4 is implemented.</p>	<p>With references to the SDNP being deleted from the LDC SPD, and by explicitly stating that 'all relevant developments in the South Downs National Park will be subject to policies as set out in the South Downs Local Plan' elsewhere in the LDC SPD, this should clarify any uncertainty as to whether the LDC SPD refers to the area covered by the SDNPA.</p>
AH-SPD:13	Lucy Howard, South Downs National Park Authority	<p>Para: 1.7</p> <p>Current wording: The purpose of this Supplementary Planning Document (SPD) is to provide an explanation of how the Council's affordable housing policy, as set out in the Core Strategy, is to be implemented.</p>	<p>With references to the SDNP being deleted from the LDC SPD, and by explicitly stating that 'all relevant developments in the South Downs National Park will be subject to policies as set out in the South Downs Local Plan' elsewhere in the LDC SPD, this should clarify any uncertainty as to whether the LDC SPD refers to the area covered by the SDNPA.</p>

Rep ID	Name	Representation	Officer Response
		Change suggested and reason: Add along lines of "...in Lewes district outside of the National Park"	
AH-SPD:14	Lucy Howard, South Downs National Park Authority	<p>Para: 1.8</p> <p>Current wording: The policy guidance relates to the Lewes District. It specifically refers to the areas within the Lewes District Council Planning Authority boundary, including the Low Weald to the north of the South Downs National Park and the coastal area to the south, and the Lewes District Council Housing Authority area covering the whole District. The areas covered correspond to the South Downs National Park boundary and are displayed in Appendix A of this technical note.</p> <p>Change suggested and reason: Should clearly relate to Lewes District outside the SDNP. Cross out reference to housing authority area i.e. "...and the Lewes District Council Housing Authority area covering the whole District."</p> <p>The current wording is confusing as it implies that the SPD and Core Policy 1 will apply across the whole of Lewes district. It is clearer to limit the SPD's application to the statutory planning framework, given that the LPA and LHA boundaries do not align. Bear in mind that the SDNPA has in the emerging local plan its own set of planning requirements in respect of housing mix, local connections in relation to nominations, etc. which</p>	<p>References to SDNP and 'designated rural areas (i.e. the National Park part of Lewes District)' can be deleted. Paras to be edited: 1.3; 1.8; 3.3; 4.3; 4.4; 4.10; 5.1; Appendix A: Map of High and Low Value Market Areas.</p> <p>To avoid confusion, it would be useful to remove the reference to 'housing authority' and to clarify that the LDC SPD refers specifically to areas within the district but does not include the SDNP area which falls within the district.</p> <p>Propose to place paragraph 1.8 at beginning of introduction, and to edit paragraph 1.8 to state:</p> <p>'This SPD relates only to the area for which Lewes District Council is the Local Planning Authority. It specifically refers to those areas within the Lewes District Council Planning Authority boundary, including the Low Weald to the north of the South Downs National Park and the coastal area to the south. For clarity, the areas covered are displayed in Appendix A of this document. The coverage of this SPD does not include the South Downs National Park. All relevant developments within the South Downs National Park will be subject to policies as set out in the Joint Core Strategy and emerging South Downs Local Plan. Once adopted by the South Downs National Park Authority the South Downs Local Plan will replace entirely the Joint Core Strategy.'</p>

Rep ID	Name	Representation	Officer Response
		would apply in the SDNPA part.	
AH-SPD:15	Lucy Howard, South Downs National Park Authority	<p>Para: 3.3</p> <p>Current wording: The District has no affordable housing requirement on developments of 5 (net) or less dwellings within the National Park (Designated Rural Area).</p> <p>Change suggested and reason: Delete the text referred to.</p> <p>The SDLP Policy will be seeking AH contributions/provision on sites of 3 (gross).</p>	References to SDNP and 'designated rural areas (i.e. the National Park part of Lewes District)' can be deleted. Paras to be edited: 1.3; 1.8; 3.3; 4.3; 4.4; 4.10; 5.1; and Appendix A: Map of High and Low Value Market Areas.
AH-SPD:16	Lucy Howard, South Downs National Park Authority	<p>Para: 3.5, Box A & Box B</p> <p>Current wording: Whole of this bit.</p> <p>Change suggested and reason: Add clarification that Core Policies 1 & 2 apply only in Lewes district outside of the National Park.</p>	<p>Paragraph 3.5, which refers to core Policy 1, to remain.</p> <p>However, to provide clarity, Box A of the SPD which sets out Core Policy 1 will be edited, the title changed to 'Box A: Core Policy 1 - Affordable Housing, applicable within the Lewes District Council Planning Authority boundary'. The text will also be edited to remove references to the South Downs National Park.</p> <p>Box B: Core Policy 2 – Housing Type, Mix and Density will be edited, the title changed to 'Core Policy 2 – Housing Type, Mix and Density, applicable within the Lewes District Council Planning Authority boundary'. The text will also be edited to remove references to the South Downs National Park.</p>
AH-SPD:17	Lucy Howard, South Downs National Park	<p>Para: 3.11</p> <p>Current wording: ...the Council will expect the</p>	By this point in the LDC SPD, it will have been stated that the SPD refers to only those parts of the district not located in the SDNP. To repeat this statement throughout the document would be superfluous,

Rep ID	Name	Representation	Officer Response
	Authority	affordable housing units within each development to be provided in line with the following dwelling mix: Change suggested and reason: Add along lines of "...in Lewes district outside of the National Park"	would be cumbersome for the reader and is unnecessary.
AH-SPD:18	Lucy Howard, South Downs National Park Authority	Para: 4.4 Current wording: The strong presumption is that the policy of affordable housing will be delivered on all developments of 11 or more dwelling units and 6 or more in designated rural areas (i.e. the National Park part of Lewes District). Change suggested and reason: Delete text: "and 6 or more in designated rural areas (i.e. the National Park part of Lewes District)." The SDLP Policy will be seeking AH contributions/provision on sites of 3 (gross).	To avoid confusion references to SDNP and 'designated rural areas (i.e. the National Park part of Lewes District)' can be deleted. Paras to be edited: 1.3; 1.8; 3.3; 4.3; 4.4; 4.10; 5.1; Appendix A: Map of High and Low Value Market Areas.
AH-SPD:19	Lucy Howard, South Downs National Park Authority	Para: 4.4 Current wording: ...Section 7 of this Affordable Housing Technical Note explains how... Change suggested and reason: Update text to refer to SPD.	Whilst the document is a SPD, it is also a note of a technical nature. However, to avoid any confusion which may arise with regards to the purpose of the document, the term 'technical note' can be replaced with 'SPD'.
AH-SPD:20	Lucy Howard, South Downs National Park	Para: 4.10 Current wording: Whole paragraph (concerning	References to the SDNP are being deleted from the LDC SPD. The SPD is explicitly stating that 'all relevant developments in the South Downs National Park will be subject to policies as set out in the South Downs

Rep ID	Name	Representation	Officer Response
	Authority	<p>commuted sums in designated rural area)</p> <p>Change suggested and reason: Delete whole paragraph.</p> <p>The SDLP is proposing a different approach to thresholds and when to seek contributions than that set out in Planning Practice Guidance, based on local evidence and the English National Parks Vision & Circular.</p>	<p>Local Plan' elsewhere in the LDC SPD.</p> <p>Given the above, it is appropriate that paragraph 4.10 is deleted in its entirety.</p>
AH-SPD:21	Lucy Howard, South Downs National Park Authority	<p>Para: 4.15</p> <p>Current wording: The intention will be to spend any commuted sums within the close geographical proximity to where the commuted sum was generated, but may be spent anywhere in the District.</p> <p>Change suggested and reason: Qualify this statement by saying along lines of "...It should be noted that within the South Downs National Park, local connection and proximity criteria apply that limit spending of commuted sums to meeting local need within the National Park. The South Downs Local Plan sets out these criteria."</p>	<p>It is a matter for the SDNPA to explain in their own policy documents the SDNPA's precise policy concerning commuted sums.</p> <p>For clarity and to avoid confusion it would be useful for para 4.15 to explain 'The intention will be to spend any commuted sums within the close geographical proximity to where the commuted sum was generated, but may be spent anywhere within the Lewes District Council Planning Authority boundary. In some circumstances, commuted sums may be pooled and used to enable the provision of affordable housing, as determined by the Council.'</p>
AH-SPD:22	Lucy Howard, South Downs National Park Authority	<p>Para: 5.1</p> <p>Current wording: In accordance with Core Policy 1, and in reference to the Planning Practice Guidance, an affordable housing contribution is sought from</p>	<p>References to the SDNP are being deleted from the LDC SPD. The SPD is explicitly stating that 'all relevant developments in the South Downs National Park will be subject to policies as set out in the South Downs Local Plan' elsewhere in the LDC SPD.</p>

Rep ID	Name	Representation	Officer Response
		<p>residential developments of 11 or more and 6 or more in designated rural areas (i.e. the National Park part of Lewes District) which involve a net gain in the number of units onsite.</p> <p>Change suggested and reason: Delete text: “and 6 or more in designated rural areas (i.e. the National Park part of Lewes District).”</p> <p>The SDLP Policy will be seeking AH contributions/provision on sites of 3 (gross).</p>	<p>To avoid confusion references to SDNP and 'designated rural areas (i.e. the National Park part of Lewes District)' can be deleted. Paras to be edited: 1.3; 1.8; 3.3; 4.3; 4.4; 4.10; 5.1; Appendix A: Map of High and Low Value Market Areas.</p>
AH-SPD:23	Lucy Howard, South Downs National Park Authority	<p>Para: 5.6</p> <p>Current wording: Appendix B of this Affordable Housing Technical Note...</p> <p>Change suggested and reason: Update text to refer to SPD.</p>	<p>Whilst the document is a SPD, it is also a note of a technical nature. However, to avoid any confusion which may arise with regards to the purpose of the document, the term 'technical note' can be replaced with 'SPD'.</p>
AH-SPD:24	Lucy Howard, South Downs National Park Authority	<p>Para: Appendix A: Map of High and Low Value Market Areas</p> <p>Current wording: Whole of it.</p> <p>Change suggested and reason: The area covered by the SDNP should be specifically identified and the legend should make clear that this area is subject to a separate policy framework i.e. the SDLP.</p>	<p>References to the SDNP are being deleted from the LDC SPD. The SPD is explicitly stating that 'all relevant developments in the South Downs National Park will be subject to policies as set out in the South Downs Local Plan' elsewhere in the LDC SPD.</p> <p>Given the above, the map at Appendix A will need to demonstrate that the SDNP is not a within the parameters of LDC affordable housing planning policy. To provide clarity the map can be edited by removing the light green overlay covering the SDNP. This will leave only the high value market area and the low value market area within the LDC Planning Authority overlaid with colour, clearly demonstrating the area covered by the LDC SPD.</p>

Rep ID	Name	Representation	Officer Response
AH-SPD:25	Tetlow King Planning on behalf of Rentplus UK Ltd	Local policies and guidance should recognise that for those households aspiring to home ownership, the main obstacle is being able to save enough for a mortgage deposit...The Rentplus affordable rent to buy model addresses this barrier to home ownership through a combination of a secure rented period at an affordable rent, giving time to save, and a 10% gifted deposit to enable tenants to buy their own home in 5, 10, 15 or 20 years...It is important to note that the Government has been proposing changes to the definition of affordable housing for some time now and this is due to be formalised in the publication of an updated NPPF imminently. The Council should therefore be mindful that the definitions set out in this SPD may require revision in the short term to reflect the latest national policy definitions. This is important as the definitions of individual tenures are set to be expanded to include a range of affordable housing models that can better reflect wide ranging needs, and aspirations for home ownership...The Communities Secretary Sajid Javid indicated in a recent statement to the House of Commons that CLG is looking at including affordable rent to buy as a separate tenure in the update to the NPPF.	<p>The Council is aware and is mindful that the Government has been proposing changes to the definition of affordable housing, and that the definitions set out in the SPD may require revision to reflect the latest national policy definitions, once the revised NPPF is finalised and in place.</p> <p>Paragraph 1.11 of the SPD states: 'The document has been developed to be sufficiently flexible enough to accommodate changes to national and local policy. The document will be reviewed regularly and in reference to changes to national policy, local policy and local evidence.'</p> <p>Paragraph 2.1 of the SPD states: 'If any of the definitions set out below are updated within the National Planning Policy Framework, or if any of the definitions not included in the National Planning Policy Framework are updated by the relevant organisation, the updated definitions will supersede those set out in this SPD.'</p> <p>Paragraphs 1.11 and 2.1 take into consideration the potential for of any definitions used for national policy to be updated.</p> <p>By reviewing the document regularly, this will enable any further definitions to be included within the SPD, when and if necessary, and within a reasonable and timely period.</p>
AH-SPD:26	Tetlow King Planning on behalf of Rentplus UK Ltd	The Core Strategy policies cannot be changed through guidance in the SPD but the way in which tenure mix is interpreted may to better reflect the national policy approach and the need for individual tenures locally. We recommend that the SPD seek	The Council is mindful that the Government has been proposing changes to the definition of affordable housing, and that the definitions set out in the SPD may require revision to reflect the latest national policy definitions, once finalised and in place.

Rep ID	Name	Representation	Officer Response
		<p>to include references and definitions of those tenures set out within last year's White Paper, including the below definition of affordable rent to buy, to ensure as wide a range of households in need can be properly accommodated within the District, enabling them to stay in the area and contribute to an even more economically successful Lewes.</p>	<p>Paragraph 1.11 of the SPD states: 'The document has been developed to be sufficiently flexible enough to accommodate changes to national and local policy. The document will be reviewed regularly and in reference to changes to national policy, local policy and local evidence.' Implicit within this is the consideration of any definitions used for national policy. We believe that, by reviewing the document regularly, this will enable any further definitions to be included within the SPD, when and if necessary.</p> <p>Core Policy 1, as set out in the SPD states: 'The guideline affordable housing tenure split will be 75% affordable rented and 25% intermediate (shared ownership). The local planning authority will negotiate the appropriate tenure split on a site by site basis based upon the latest evidence of needs in the site locality.'</p> <p>The tenure split is therefore a guideline - the implication is that the tenure split will be negotiated with latest evidence of needs considered. This provides the necessary flexibility to enable a wide range of households in need to be accommodated within the district.</p>
AH-SPD:27	Tetlow King Planning on behalf of Rentplus UK Ltd	<p>The indication at paragraph 3.8 and within Section 6 that the Council will seek to impose the nationally described space standards through this SPD is not appropriate, as the Planning Practice Guidance specifically allows for the standard to be introduced through Local Plan policies alone. The Core Strategy states at paragraph 7.24 that "Specific standards for each type and size of dwelling are not proposed so as to ensure flexibility to meet the identified local need as this may change over time and/or differ by location." and so there is no avenue for the national space standards to be introduced.</p>	<p>Paragraph 1.9 of the SPD states: 'This document should be used as a guidance tool from the earliest stages of the development process of any site'.</p> <p>Paragraph 3.7 states: 'A particular site's characteristics and the development as a whole should be reflected in the affordable housing mix of dwelling tenure, type and size. The Council's planning team will advise on the exact tenure, type and size split on each site through pre-application discussions.'</p> <p>The Council will not impose the nationally described space standards through the SPD. The nationally described space standards are seen as</p>

Rep ID	Name	Representation	Officer Response
		We ask that reference to this be removed from the SPD.	<p>a guidance and general expectation, which can be discussed for each development.</p> <p>However, to avoid misunderstandings, paragraph 3.8 can be edited to explicitly state that the nationally described space standards are a guideline and not a stipulation. To further add clarification, the title of Section 6 can be edited to 'Guidance on Standards for Development'. Paragraph 6.1 can be edited to state: 'The Council will use the nationally described space standards, taken from the DCLG Technical housing standards – nationally described space standards, as a guideline for space provision in housing development, including affordable housing, to ensure that development protects the residential amenity of existing and future residents.'</p>
AH-SPD:28	Tetlow King Planning on behalf of Rentplus UK Ltd	As with the above point in relation to the internal space standards, paragraph 3.11 seeks to prescribe a mix of housing that will be expected on individual developments; the Core Strategy does not seek this, and the introduction of this within the SPD is inappropriate as the requirement is akin to policy. Setting out a mix in this way can reduce the flexibility of developers and of the Council in responding to individual development proposals which may best meet local housing needs and can create unnecessary challenges for all parties in determining applications. This paragraph should either be removed or reworded to provide guidance on a broad range of dwelling mix that will form a starting point for negotiation only.	<p>Paragraph 1.9 of the SPD states: 'This document should be used as a guidance tool from the earliest stages of the development process of any site'.</p> <p>It is accepted that paragraph 3.11 may appear as too prescriptive and may seem inflexible to local circumstances at the parish or town level.</p> <p>Paragraph 3.11 can be edited to say:</p> <p>'Information gathered from the Council's Housing Register provides an indication of the need for each dwelling type. With reference to this, the Council will expect the affordable housing units within each development to be provided <i>broadly</i> in line with the dwelling mix set out below. <i>The local planning authority will negotiate the appropriate dwelling mix on a site by site basis based upon the latest evidence of needs in the site locality.</i></p> <p>1 bedroom: 50 per cent;</p>

Rep ID	Name	Representation	Officer Response
			2 bedrooms: 30 per cent; 3 bedrooms: 15 per cent; and 4+ bedrooms: 5 per cent.'

Appendix 2: Schedule of Changes to the Draft Affordable Housing SPD

Note: Deleted text highlighted by ~~strikethrough~~. New text highlighted in red and underlined.

Ref.	Section	Modification
C:1	Contents	<p>Amended Contents:</p> <ol style="list-style-type: none"> 1. Introduction 2. Definitions 3. Policy Guidance 4. Policy Obligations 5. Commuted Sums 6. Expected Standards <u>Guidance on Standards for Development</u> 7. Planning Application Process for Residential Developments 8. Delivery Organisations 9. Monitoring
C:2	Introduction	<p>Amended paragraph 1.3:</p> <p>Lewes District Council is attempting to improve the provision of affordable homes following the adoption of Core Policies 1 and 2 of the Core Strategy. These Core Policies seek to address the key issues of delivering the homes and accommodation needed within the district, and ensuring the housing growth requirements are accommodated in the most sustainable way. To address these issues, in reference to the Planning Practice Guidance⁶, the Council will implement Core Policy 1 with a target of 40 per cent affordable housing on the site of new developments of 11 or more residential units. In designated rural areas (i.e. the National Park part of Lewes District), affordable housing, or financial contributions towards the provision of future affordable housing in the form of a commuted sum, will be sought on developments of 6 or more residential units. These requirements extend <u>apply</u> to the provision of affordable housing across the District regardless of localised property values.</p>

Ref.	Section	Modification
C:3	Introduction	<p>Paragraph 1.8 moved to become paragraph 1.1, and amended:</p> <p>The policy guidance relates to the Lewes District. The areas covered correspond to the South Downs National Park boundary and are displayed in Appendix A of this technical note. <u>This SPD relates only to the area for which Lewes District Council is the Local Planning Authority.</u> It specifically refers to the areas within the Lewes District Council Planning Authority boundary, including the Low Weald to the north of the South Downs National Park and the coastal area to the south. <u>and the Lewes District Council Housing Authority area covering the whole District. The areas covered correspond to the South Downs National Park boundary and are displayed in Appendix A of this technical note.</u> <u>For clarity, the areas covered are displayed in Appendix A of this document. The coverage of this SPD does not include the South Downs National Park. All relevant developments within the South Downs National Park will be subject to policies as set out in the Joint Core Strategy and emerging South Downs Local Plan. Once adopted by the South Downs National Park Authority the South Downs Local Plan will replace entirely the Joint Core Strategy.</u></p>
C:4	Introduction	<p>Paragraph 1.9 amended:</p> <p>The document should be read in conjunction with Core Policy 1 and Core Policy 2 of the Core Strategy, and other relevant documents including the National Planning Policy Framework and the Planning Practice Guidance <u>Planning system guidance</u>, when considering making a planning application within the District. This document <u>SPD</u> should be used as a guidance tool from the earliest stages of the development process of any site, including during purchase negotiations and the preparation of development schemes.</p>
C:5	Introduction	<p>Paragraph 1.10 amended:</p> <p>This technical note <u>SPD</u> is intended to instruct the Local Planning Authority, developers, agents, landowners and other stakeholders in relation to:</p>
C:6	Introduction	<p>Paragraph 1.12 amended:</p> <p>This draft Affordable Housing SPD has been prepared for <u>was subject to public</u> consultation with the local community and other stakeholders <u>between 30 November 2017 and 25 January 2018.</u></p>
C:7	Introduction	<p>Paragraph 1.13 amended:</p>

Ref.	Section	Modification
		Once adopted, The Affordable Housing SPD will be is a material consideration in the determination of planning applications.
C:8	Introduction	<p>Paragraph 1.14 deleted:</p> <p>Consultation</p> <p>The Draft Affordable Housing SPD will be subject to consultation with key stakeholders including local developers, affordable housing providers, the local community and other interested parties between 30 November 2017 and 25 January 2018.</p>
C:9	Introduction	<p>Paragraph 1.15 deleted:</p> <p>The SPD can be viewed and commented on via the Council's online consultation webpage, which can be accessed via the joint Lewes District Council and Eastbourne Borough Council Consultations webpage. Representations can also be submitted by email or via post.</p> <p>Email: ldf@lewes.gov.uk</p> <p>Planning Policy</p> <p>Southover House</p> <p>Southover Road</p> <p>Lewes</p> <p>BN7 1AB</p>
C:10	Introduction	<p>Paragraph 1.16 deleted:</p> <p>Following the 8 week consultation period, the Council will consider and summarise the representations received. These will be an important source of information which will be used to refine the SPD in preparing the final version. This will be formally adopted by the Council and used to assist in the evaluation of planning applications.</p>

Ref.	Section	Modification
C:11	Definitions	<p>Paragraph 2.1 amended:</p> <p>If any of the definitions set out below are updated within the National Planning Policy Framework, or if any of the definitions not included in the National Planning Policy Framework are updated by the relevant organisation, the updated definitions will supersede those set out in this New Affordable Housing Technical Note SPD.</p>
C:12	Definitions	<p>A new definition added at paragraph 2.2:</p> <p><u>Commuted Sum (or payment in lieu)</u></p> <p><u>A commuted sum is a sum in lieu of affordable housing payable by a developer to the local authority, either because delivery on site is assessed as unviable and is agreed by the Council, or where a financial contribution in lieu of a percentage of a unit of affordable housing is required.</u></p>
C:13	Policy Guidance	<p>Title of Section 3 amended:</p> <p>Policy Guidance</p>
C:14	Policy Guidance	<p>Paragraph 3.2 deleted:</p> <p>Since the revocation of the South East Plan, the scale of future housing growth needs to have due regard to the policies set out in the National Planning Policy Framework and the Planning Practice Guidance. The key policy reference of the National Planning Policy Framework is paragraph 47, which states that Local Plans should meet the full objectively assessed need for market and affordable housing as far as is consistent with other policies of the Framework. In light of this, Lewes District Council and the South Downs National Park Authority (SDNPA) worked in partnership with other authorities from the Sussex Coast Housing Market Area to produce a Duty to Co-operate Housing Study. For Lewes District, this study identifies a need to deliver between 9,200 – 10,400 net additional dwellings over the plan period (equivalent to 460 – 520 dwellings per annum).</p>
C:15	Policy Guidance	<p>Paragraph 3.3 amended:</p> <p>The regulations regarding the Community Infrastructure Levy give full relief from paying the levy on the portions of the</p>

Ref.	Section	Modification
		<p>chargeable development intended for affordable housing. The District has no affordable housing requirement on developments of 5 (net) or less dwellings within the National Park (Designated Rural Area), and 10 (net) or less dwelling units which have a maximum combined gross floorspace of no more than 1,000 sqm, elsewhere in the District. This reflects the national policy position on this matter, and also the Council's own evidence that demonstrates on schemes of 1 or 2 net additional dwellings the ability to bear both the cost of CIL and a commuted payment towards affordable housing could impact upon the viability of the scheme.</p>
C:16	Policy Guidance	<p>Add new paragraph after 3.3:</p> <p><u>Part 11: Regulation 122. Limitation on use of planning obligations of the Community Infrastructure Levy Regulations 2010 (As Amended) explains:</u></p> <p><u>(1) This regulation applies where a relevant determination is made which results in</u> <u>_____ planning permission being granted for development.</u></p> <p><u>(2) A planning obligation may only constitute a reason for granting planning</u> <u>_____ permission for the development if the obligation is—</u></p> <p><u>(a) necessary to make the development acceptable in planning terms;</u></p> <p><u>(b) directly related to the development; and</u></p> <p><u>(c) fairly and reasonably related in scale and kind to the development.</u></p>
C:17	Policy Guidance	<p>Paragraph 3.5 amended:</p> <p>For the avoidance of doubt, in the event of any formal future change in Government policy that requires alternative thresholds, levels of types of affordable housing to be provided by development, the resulting national policy position will supersede the relevant part(s) of Core Policy 1 below, where necessary.</p>
C:18	Policy Guidance	<p>Box A amended:</p> <p>Box A: Core Policy 1 - Affordable Housing, <u>applicable within the Lewes District Council Planning Authority boundary</u></p>

Ref.	Section	Modification										
		<p>Key Strategic Objective:</p> <ul style="list-style-type: none"> To deliver the homes and accommodation for the needs of the district and ensure the housing growth requirements are accommodated in the most sustainable way. <p>4. A district wide target of 40% affordable housing, including affordable rented and intermediate housing, will be sought for developments of 11 or more dwelling units. For developments in designated rural areas affordable housing, or financial contributions towards, will be sought on developments of 6 or more according to the stepped target and threshold below:</p> <p style="text-align: center;">Table 1: Affordable Housing Targets/Thresholds (in designated rural areas)</p> <table border="1" data-bbox="866 740 1543 1131"> <thead> <tr> <th colspan="2" data-bbox="866 740 1543 809">Affordable Housing Target/Threshold</th> </tr> <tr> <th data-bbox="866 809 1184 927">Scheme Size (Units)</th> <th data-bbox="1184 809 1543 927">Affordable Housing</th> </tr> </thead> <tbody> <tr> <td data-bbox="866 927 1184 995">6-8</td> <td data-bbox="1184 927 1543 995">2*</td> </tr> <tr> <td data-bbox="866 995 1184 1064">9-10</td> <td data-bbox="1184 995 1543 1064">3*</td> </tr> <tr> <td data-bbox="866 1064 1184 1131">11+</td> <td data-bbox="1184 1064 1543 1131">40%</td> </tr> </tbody> </table> <p style="text-align: center;">*Commuted sum financial payment</p>	Affordable Housing Target/Threshold		Scheme Size (Units)	Affordable Housing	6-8	2*	9-10	3*	11+	40%
Affordable Housing Target/Threshold												
Scheme Size (Units)	Affordable Housing											
6-8	2*											
9-10	3*											
11+	40%											
C:19	Policy Guidance	<p>Box A amended:</p> <p>1. The affordable housing requirement may exceptionally be determined on a site by site basis where justified by market and/or site conditions. The target levels will be expected to be provided by all developments of 11 or more and 6 or more in designated rural areas (net) dwelling units (including conversions and subdivisions) unless the</p>										

Ref.	Section	Modification
		<p>local planning authority is satisfied by robust financial viability evidence that development would not be financially viable at the relevant target level. Such evidence will be required to be submitted with the planning application to justify any reduced levels of affordable housing provision proposed for assessment using an open-book approach and may be subject to independent assessment (e.g. by the Valuation Office Agency or equivalent).</p>
C:20	Policy Guidance	<p>Paragraph 3.6 deleted:</p> <p>At the time of adoption, South Downs National Park Authority was developing new policy in relation to affordable housing thresholds and percentages required for the SDNPA area. As and when this policy is consulted on and adopted by SDNPA, any variation in policy from the Core Strategy will supersede the text set out in Box A: <i>Core Policy 1 – Affordable Housing</i> above, with reference to the SDNPA area.</p>
C:21	Policy Guidance	<p>Box B amended:</p> <p>Box B: Core Policy 2 – Housing Type, Mix and Density, <u>applicable within the Lewes District Council Planning Authority boundary</u></p> <p>...</p> <p>4. Where appropriate, the local planning authority will identify sites and local requirements for special needs housing (such as for nursing homes, retirement homes, people with special needs including physical and learning disabilities, specific requirements of minority groups etc.) in a Site Allocations and Development Management Policies DPD and/or the SDNPA Local Plan.</p>
C:22	Policy Guidance	<p>Paragraph 3.8 amended:</p> <p>It is expected that affordable housing provided onsite will be subject to the same standards and be indistinguishable from the open market housing. The provision of onsite affordable housing should be integrated into the layout of the development through ‘pepper-potting’ within market housing, in order to fully reflect the distribution of property types and sizes in the overall development. The Council recognises that pepper-potting may not be possible on development sites consisting of 25 dwellings or less. For developments consisting of more than 25 dwellings, discussions are required between the Council and the applicant/ developer on a site-by site basis. It is expected that The Council will use the nationally described space standards, as set out in Section 6 of this Affordable Housing</p>

Ref.	Section	Modification
		<p>Technical Note SPD, will also be adhered to. <u>as a guideline for what size of accommodation is desirable to ensure residential amenity is protected.</u></p>
C:23	Policy Guidance	<p>Paragraph 3.10 amended:</p> <p>The housing should comply with all relevant design and quality codes and standards as set out by the Homes and Communities Agency or other associated national bodies, as well as any corresponding local <u>policy</u>, guidance and specifications.</p>
C:24	Policy Guidance	<p>Paragraph 3.11 amended:</p> <p>Information gathered from the Council's Housing Register provides an indication of the need for each dwelling type. With reference to this, the Council will expect the affordable housing units within each development to be provided <u>broadly</u> in line with the following dwelling mix <u>set out below. The local planning authority will negotiate the appropriate dwelling mix on a site by site basis based upon the latest evidence of needs in the site locality.</u></p> <p>1 bedroom: 50 per cent; 2 bedrooms: 30 per cent; 3 bedrooms: 15 per cent; and 4+ bedrooms: 5 per cent.</p>
C:25	Policy Guidance	<p>Paragraph 3.13 amended:</p> <p>Affordable housing should be delivered by one of the housing providers which that have a strong stake within the <u>Lewes District</u> area. The choice of housing provider should be agreed upon by the developer with the Council.</p>
C:26	Policy Obligations	<p>Paragraph 4.3 amended:</p> <p>For clarity, the affordable housing policy applies to sheltered, extra care and assisted living residential development in the same way as it does to general dwelling houses, where each residential unit is designated within the C3 Planning Use Class. It also applies to conversions and subdivisions where there is a net residential gain of 11 or more dwelling units and 6 or more in designated rural areas. The affordable housing requirements do not apply to developments</p>

Ref.	Section	Modification
		designated within the C2 Planning Use Class.
C:27	Policy Obligations	<p>Paragraph 4.4 amended:</p> <p>The strong presumption is that the policy of affordable housing will be delivered on all developments of 11 or more dwelling units and 6 or more in designated rural areas (i.e. the National Park part of Lewes District). Therefore, there is a firm expectation that affordable housing will be provided on the development site, where provision could reasonably be made under the terms of the policy without making the development non-viable. The policy is not intended to operate in a way that renders development non-viable and thereby should not reduces development coming forward. Section 7 of this Affordable Housing Technical Note SPD explains how viability issues will be considered, so that where it is demonstrated that development would not be viable with the contribution required under the policy, the level of contribution can be reduced or waived to ensure that development remains viable.</p>
C:28	Policy Obligations	<p>Paragraph 4.5 amended:</p> <p>The priority for Lewes District Council is to increase the number of affordable homes within the District, and ideally developers will build the correct number and mix of affordable dwellings on site in accordance with Core Policies 1 and 2. However, where this is not possible the Council will work to a four tier system of general principles, weighted towards the independently assessed financial viability of each of the following options. The Council recognises there will be variation in circumstances, and will assess each development on a site-by-site basis. The four tiers are:</p> <ol style="list-style-type: none"> I. The Council's onsite preferred mix; II. An onsite alternative mix to be agreed upon by the Council and the relevant developer(s); III. A level of affordable housing onsite which is less than the specified threshold; IV. A commuted sum.
C:29	Policy Obligations	<p>Paragraph 4.6 amended:</p> <p>In some circumstances the Council may be willing to negotiate with the applicant/developer the acceptance of a serviced plot as payment in kind with a commuted sum of relatively lower value. This will be commensurate to the value of the commuted sum which would otherwise be calculated and paid to the Council in the absence of</p>

Ref.	Section	Modification
		<p>acceptance of the serviced plot. The value of serviced plots for each dwelling type will be based on those displayed in Table 2: Affordable Housing Commuted Sum Payment Table of this document.</p>
C:30	Policy Obligations	<p>Paragraph 4.9 amended:</p> <p>The commuted sum to be paid and the payment schedule will be reflected in the Section 106 Agreement. For developments within the District which are not in designated rural areas, the The expectation is that the commuted sum will be paid prior to the commencement of the development and this will also be reflected in the Section 106 Agreement. However, Lewes District Council recognises the potential for economic conditions to change. With reference to this, the Council may agree to an alternative payment schedule. More information regarding Section 106 Agreements is available through the Council's pre-application planning advice webpage.</p>
C:31	Policy Obligations	<p>Paragraph 4.10 deleted:</p> <p>The Planning Practice Guidance states that in designated rural areas affordable housing and tariff style contributions may be sought from developments of between 6 and 10 units, in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty. Decisions concerning the payment of commuted sums for developments in designated rural areas will be based on national policy and local evidence, in consultation with the Planning Authority. The payment schedule will be outlined in the Section 106 Agreement.</p>
C:32	Policy Obligations	<p>Paragraph 4.15 amended:</p> <p>The intention will be to spend any commuted sums within the close geographical proximity to where the commuted sum was generated, but may be spent anywhere <u>within the Lewes District Council Planning Authority boundary</u>. In some circumstances, commuted sums may be pooled and used to enable the provision of affordable housing, as determined by the Council.</p>
C:33	Commuted Sums	<p>Paragraph 5.1 amended:</p> <p>In accordance with Core Policy 1, and in reference to the Planning Practice Guidance, an affordable housing</p>

Ref.	Section	Modification
		<p>contribution is sought from residential developments of 11 or more and 6 or more in designated rural areas (i.e. the National Park part of Lewes District) which involve a net gain in the number of units onsite. The Council recognises that occasionally it may be difficult to provide affordable homes within the smallest developments, and therefore on such sites a commuted sum based on the associated threshold of affordable housing may be accepted towards improving the provision of affordable housing offsite.</p>
C:34	Commuted Sums	<p>Paragraph 5.5 amended:</p> <p>The basis for calculating the cost to the developer of onsite provision will be the Affordable Housing Commuted Sum Payment Table, which is arranged by market value area, housing type and the Council's expected guideline space standards for affordable housing sizes. Where the policy results in a percentage of a unit to be provided, this percentage can be calculated in monetary terms using the Payment Table.</p>
C:35	Commuted Sums	<p>Paragraph 5.6 amended:</p> <p>The method calculates the commuted sum by assessing the average market sales value of housing. The serviced plot value is then subtracted. Of the remaining development costs forty per cent of this is calculated, and then divided by the Council's expected guideline dwelling size (internal floor area by square metre), to arrive at the contribution per square metre (sqm). Appendix B of this Affordable Housing Technical Note SPD provides further explanation of the methodology used to construct the Affordable Housing Commuted Sum Payment Table.</p>
C:36	Commuted Sums	<p>Paragraph 5.8 amended:</p> <p>For the purposes of affordable housing provision and based on an independent assessment, Lewes District Council has chosen to divide the District into two value market areas. These areas reflect the dwelling prices across the District, which affect the residual site values and the financial viability of delivering affordable housing on sites within these market value areas. Appendix A contains a map displaying the High and Low Value Market Areas. Developments located within either the High Value Market Area or the Low Value Market Area are required to deliver the associated same policy targets for affordable housing, i.e. 40 per cent. The commuted sums for dwellings of various sizes and located in both of these market areas are summarised in Table 2: Affordable Housing Commuted Sum Payment Table.</p>

Ref.	Section	Modification
C:37	Expected Standards	Title amended: Expected Standards <u>Guidance on Standards for Development</u>
C:38	Expected Standards	Paragraph 6.1 amended: The Council's expected <u>will use the nationally described</u> space standards for affordable housing, taken from the DCLG document <i>Technical housing standards – nationally described space standard</i> , <u>as a guideline for the internal space to be provided within the affordable housing to ensure that development protects the residential amenity of existing and future residents. The space standard guidelines</u> are set out in Table 3: Expected g <u>G</u> ross internal floor areas and storage (m ²).
C:39	Expected Standards	Title of Table 3 amended: Table 3: Expected g <u>G</u>ross internal floor areas and storage (m²)
C:40	Planning Application Process for Residential Developments	Paragraph 7.4 amended: When assessing the financial viability of a residential development the applicant should refer to the considerations listed in Appendix D of this Affordable Housing Technical Note <u>SPD</u> , unless there are any justified overriding factors. The Council recommends using an independent viability expert to assist in assessing the viability of the proposed development. Applicants may use their own viability assessment toolkit to assess financial viability, for which their figures should be independently verified by a qualified valuation officer or an organisation that is a full member of the Royal Institute of Chartered Surveyors (RICS), prior to the submission of the application. Should any such viability assessment assert that a development is unviable, the Council will, if necessary, commission an independent viability expert to scrutinise the assessment. The cost of any such assessment will be paid by the applicant.
C:41	Planning Application Process for Residential Developments	Paragraph 7.8 amended: If it is agreed that the requirements of the Council's affordable housing policy will render a site unviable, the Council's Planning and Housing Officers will work with the applicant/developer until overall delivery is considered viable. The Council's general preferences, in line with the overall provisions of Core Policy 1, are set out in order of priority in

Ref.	Section	Modification
		<p>paragraph 4.5. Listed below, in sequential order, are options the Council will work through with the applicant/developer on a site-by-site basis to ensure viability. This provides further elaboration of the options discussed in the Core Strategy:</p> <ul style="list-style-type: none"> • An amended mix of affordable tenures to deliver in full the required quota of affordable homes on the application site; • Delivery in full of the required quota of affordable homes on an alternative suitable and serviced site elsewhere within Lewes District, completion of such homes to be achieved within a similar time line to that established for the affordable housing originally proposed for the application site; • A reduction in the number of affordable homes to be delivered on the application site; • A commuted sum equivalent in value to the cost to the developer of onsite provision. All commuted sums collected by the Council will be used to help deliver new and additional affordable housing. As stated above, commuted sums will need to be spent by the Council within 10 years from the date of payment; • Support for an application to the HCA Homes England for grant funding to deliver in full the required quota of affordable homes on the application site. It should be noted that HCA Homes England policy is not to award grant funding to schemes subject to the provisions of a Section 106 Agreement, other than in the most exceptional of circumstances. The Council reserves the right to reject this option if to do so would adversely impact upon the time taken to determine the application; • An application to the Council for grant funding to deliver in full the required quota of affordable homes on the application site. It should be noted that the Council does not award grant funding to developments subject to the provisions of a Section 106 Agreement, other than in the most exceptional of circumstances. The Council reserves the right to reject this option if to do so would adversely impact upon the time taken to determine the application; • To abandon the requirement for affordable housing to be provided or funded as a consequence of the development. This option will not normally be considered unless there is clear, justifiable and independently verified evidence that none of the options detailed above are viable.
C:42	Delivery Organisations	Paragraph 8.1 amended:

Ref.	Section	Modification
		<p>The Homes and Communities Agency (HCA) Regulator of Social Housing (RSH) is responsible for registering and regulating providers of social housing. HCA RSH maintain a Statutory Register of Providers of Social Housing (the register), which lists private (both not for profit and for profit) and local authority providers. HCA RSH upload a monthly spreadsheet of current registered providers which lists the names, registration numbers, registered office addresses, type of provider, registration date and legal entity. HCA RSH also publish a list of registrations and de-registrations to the register each month. The Registered Provider information is available from the Homes and Communities Agency Regulation of social housing website.</p>
C:43	Delivery Organisations	<p>Paragraph 8.2 amended:</p> <p>Lewes District Council is willing to work with housing providers which are not registered with HCA RSH as well as those housing providers which are registered with HCA RSH, in order to maximise the opportunities to provide affordable housing in the Lewes District.</p>
C:44	Monitoring	<p>Paragraph 9.2 amended:</p> <p>In the event of a fall of 10 per cent or more in East Sussex average house prices (Land Registry House Price Index June 2011 2016 baseline) the local planning authority will review the targets and thresholds of this policy guidance SPD.</p>
C:45	Appendix A: Map of High and Low Value Market Areas	<p>Map amended to remove the South Downs National Park planning authority area from the area designated as High Value Market Area.</p>
C:46	Appendix E: Other Key Policies, Documents and Sources of Information	<p>Reference to the Homes and Communities Agency deleted:</p> <p>The Homes and Communities Agency</p> <p>The Homes and Communities Agency is responsible for increasing the number of new homes that are built in England including affordable homes and homes for market sale or rent, and for regulating social housing providers.</p>



Lewes District Council

Affordable Housing

Supplementary Planning Document

July 2018



Lewes District Council

Affordable Housing

Supplementary Planning Document

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1. Introduction

1.1 This SPD relates only to the area for which Lewes District Council is the Local Planning Authority. It specifically refers to those areas within the Lewes District Council Planning Authority boundary, including the Low Weald to the north of the South Downs National Park and the coastal area to the south. For clarity, the areas covered are displayed in Appendix A of this document. The coverage of this SPD does not include the South Downs National Park. All relevant developments within the South Downs National Park will be subject to policies as set out in the Joint Core Strategy and emerging South Downs Local Plan. Once adopted by the South Downs National Park Authority the South Downs Local Plan will replace entirely the Joint Core Strategy.

Background

1.2 Historically, the district of Lewes has experienced relatively high property prices. This persists to the present day, even when considering the district's location within the South East region. These circumstances are acknowledged in Spatial Policy 1 of the Lewes District Local Plan Part 1 – Joint Core Strategy (2016)¹ (the Core Strategy), which sets a housing delivery target of 345 net additional dwellings per annum. This equates to a minimum of 6,900 new homes to be developed over a 20 year period from 2010 to 2030. The Core Strategy² also recognises the need for more affordable homes, stating: 'Improving the amount and availability of affordable housing, both rented and shared ownership, is a priority due to relatively high house prices, below average wages, and continued in-migration.'

1.3 A number of continuing as well as newly arising circumstances will affect the Lewes District:

- Median household incomes are slightly higher than the England and Wales average, and the East Sussex average³;
- Median and mean incomes are slightly lower than the Southeast average;
- The percentage of households with income below 60 per cent of the national median income is higher than the Southeast average⁴;

¹ LDC. (May 2016). Lewes District Local Plan Part 1 - Joint Core Strategy. (P.48). <http://www.lewes-eastbourne.gov.uk/planning-policy/lewes-core-strategy-local-plan-part-1/?assetdetb15f5c56-9bf9-4867-b307-cdbef931760d=257159>

² Ibid. (P.29).

³ LDC. (January 2014). Affordable Housing Needs Assessment 2013 – 2018. (P.12). <http://www.lewes-eastbourne.gov.uk/resources/assets/inline/full/0/258672.pdf>

⁴ Ibid.

- There is variation between wards concerning the number of households considered as in poverty due to having income below 60 per cent of the national median⁵; and
 - From April 2017, a number of changes to benefits have taken effect placing extra strain on residents and services provided by Lewes District Council.
- 1.4 Lewes District Council is attempting to improve the provision of affordable homes following the adoption of Core Policies 1 and 2 of the Core Strategy. These Core Policies seek to address the key issues of delivering the homes and accommodation needed within the district, and ensuring the housing growth requirements are accommodated in the most sustainable way. To address these issues, in reference to the Planning Practice Guidance⁶, the Council will implement Core Policy 1 with a target of 40 per cent affordable housing on the site of new developments of 11 or more residential units. These requirements apply to the provision of affordable housing regardless of localised property values.
- 1.5 Core Policy 1 explains that the affordable housing requirement may exceptionally be determined on a site by site basis where justified by market and/or site conditions. Where this is the case, and where replacement affordable units are not being provided by the developer on another site agreed with the Council, it will be necessary to secure the due affordable contribution in the form of a commuted payment.⁷
- 1.6 The Council is committed to the fundamental principle of planning obligations. Such obligations should not be used to ‘buy’ a planning permission, nor should they be used as a method to tax a developer. Therefore, any development which is unsuitable in planning terms cannot be made acceptable by applying developer contributions to the scheme. Planning obligations cannot be sought or used to mitigate an existing problem in the area. They can only be sought against a future need that would be created by the proposed development.

Purpose of this document

- 1.7 A Supplementary Planning Document (SPD) is a planning policy document that builds upon and provides more detailed advice or guidance on the policies in a Local Plan. SPDs are material planning considerations in the determination of planning applications.

⁵ Ibid.

⁶ DCLG. (Revision date: 19 May 2016). Planning obligations. (Paragraph: 031, Reference ID: 23b-031-20161116). <https://www.gov.uk/guidance/planning-obligations>. Last accessed on 17/07/17.

⁷ LDC and SDNPA (December 2011). Affordable Housing and CIL Viability Study. (P.xi). <http://www.lewes-eastbourne.gov.uk/resources/assets/inline/full/0/258681.pdf>

- 1.8 The purpose of this Supplementary Planning Document (SPD) is to provide an explanation of how the Council's affordable housing policy, as set out in the Core Strategy, is to be implemented. This includes advice concerning the standards required of the range of residential sites in order to deliver the affordable housing necessary to meet local needs.
- 1.9 The document should be read in conjunction with Core Policy 1 and Core Policy 2 of the Core Strategy, and other relevant documents including the [National Planning Policy Framework](#) and the [Planning system guidance](#), when considering making a planning application within the district. This SPD should be used as a guidance tool from the earliest stages of the development process of any site, including during purchase negotiations and the preparation of development schemes.
- 1.10 This SPD is intended to instruct the Local Planning Authority, developers, agents, landowners and other stakeholders in relation to:
- Policy requirements concerning delivery of affordable housing on all residential development sites;
 - Type and standard of affordable housing that is likely to be sought;
 - Calculations of any commuted sum payments;
 - The planning process, including assessment of financial viability of the development;
 - Delivery agencies for the affordable housing.
- 1.11 The document has been developed to be sufficiently flexible enough to accommodate changes to national and local policy. The document will be reviewed regularly and in reference to changes to national policy, local policy and local evidence.

Status of this Supplementary Planning Document

- 1.12 This Affordable Housing SPD was subject to public consultation with the local community and other stakeholders between 30 November 2017 and 25 January 2018.
- 1.13 The Affordable Housing SPD is a material consideration in the determination of planning applications.

2. Definitions

- 2.1 If any of the definitions set out below are updated within the National Planning Policy Framework, or if any of the definitions not included in the National Planning Policy Framework are updated by the relevant organisation, the updated definitions will supersede those set out in this SPD.
- 2.2 The National Planning Policy Framework⁸ defines the following as:

Affordable housing

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing

Owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency (HCA).

Affordable rented housing

Let by local authorities or private registered providers of social housing to households who are eligible for social rented housing.

Affordable Rent

Subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing

Homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do

⁸ DCLG. (March 2012). National Planning Policy Framework. (P.50).
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf

not meet the above definition of affordable housing, such as 'low cost market' housing, may not be considered as affordable housing for planning purposes.

Starter homes

The Housing and Planning Act 2016⁹ defines a Starter Home as a new dwelling which is available for purchase by qualifying first-time buyers at least 23 years old and under the age of 40, and is to be sold at a discount of at least 20 per cent of the market value. Starter Homes are to be sold for less than the price cap of £250,000 outside of Greater London and £450,000 inside Greater London.

Serviced Plots

The Homes and Communities Agency¹⁰ (now Homes England) defined Serviced Plots as "shovel ready" sites with planning permission, where plots or parcels are laid out and the land is ready for construction. Access is provided and each plot or parcel has utilities/services provided to the plot/parcel boundary.'

Commuted Sum (or payment in lieu)

A commuted sum is a sum in lieu of affordable housing payable by a developer to the local authority, either because delivery on site is assessed as unviable and is agreed by the Council, or where a financial contribution in lieu of a percentage of a unit of affordable housing is required.

- 2.3 Reference is often made to 'low cost housing' when the term affordable housing is used. It is important to note that such housing may not fall within the above definitions, and therefore would not qualify towards the policy target of affordable homes.
- 2.4 The expectation is that affordable rents will be restricted to no more than the Local Housing Allowance rate due to affordability, although some specialist accommodation may justifiably be higher.

⁹ Housing and Planning Act 2016. (2016). Part 1: New Homes in England; Chapter 2: Starter Homes. <http://www.legislation.gov.uk/ukpga/2016/22/enacted>

¹⁰ Homes and Communities Agency. (June 2015). Custom Build Serviced Plots Loan fund Prospectus – Continuous Market Engagement. (P.3). https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437275/CBSP_Prospectus_-_CME_full.pdf

3. Policy

- 3.1 Lewes District Council expects all developments, including those contributing affordable housing, to be delivered in line with national and local policies. The relevant policies include:

The Community Infrastructure Levy

- 3.2 The regulations regarding the Community Infrastructure Levy give full relief from paying the levy on the portions of the chargeable development intended for affordable housing. The district has no affordable housing requirement on developments of 10 (net) or less dwelling units which have a maximum combined gross floorspace of no more than 1,000 sqm. This reflects the national policy position on this matter.
- 3.3 Part 11: Regulation 122. *Limitation on use of planning obligations* of the Community Infrastructure Levy Regulations 2010 (As Amended)¹¹ explains:
- (1) This regulation applies where a relevant determination is made which results in planning permission being granted for development.
 - (2) A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is—
 - (a) necessary to make the development acceptable in planning terms;
 - (b) directly related to the development; and
 - (c) fairly and reasonably related in scale and kind to the development.

Vacant Building Credit¹²

- 3.4 Where a vacant building is brought back into any lawful use or is demolished to be replaced by a new building, and where this results in an overall increase in floorspace in the proposed development, the developer can be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace. This will apply in calculating either the number of affordable housing units to be provided within the development or where an equivalent financial contribution is being provided. Further information is available from the [Planning Practice Guidance - Planning obligations](#) webpage.

¹¹ CIL Regulations 2010 (As Amended). Regulation 122. <https://www.legislation.gov.uk/uksi/2010/948/contents/made>

¹² DCLG. (19 May 2016). Planning Practice Guidance: Planning obligations. <https://www.gov.uk/guidance/planning-obligations>

Local policy

- 3.5 For the avoidance of doubt, in the event of any formal future change in Government policy that requires alternative thresholds, levels of types of affordable housing to be provided by development, the resulting national policy position will supersede the relevant part(s) of Core Policy 1 below, where necessary.

Box A: Core Policy 1 - Affordable Housing, applicable within the Lewes District Council Planning Authority boundary^{13, 14}

Key Strategic Objective:

- To deliver the homes and accommodation for the needs of the district and ensure the housing growth requirements are accommodated in the most sustainable way.

A district wide target of 40% affordable housing, including affordable rented and intermediate housing, will be sought for developments of 11 or more dwelling units.

1. The affordable housing requirement may exceptionally be determined on a site by site basis where justified by market and/or site conditions. The target levels will be expected to be provided by all developments of 11 or more (net) dwelling units (including conversions and subdivisions) unless the local planning authority is satisfied by robust financial viability evidence that development would not be financially viable at the relevant target level. Such evidence will be required to be submitted with the planning application to justify any reduced levels of affordable housing provision proposed for assessment using an open-book approach and may be subject to independent assessment (e.g. by the Valuation Office Agency or equivalent).
2. The guideline affordable housing tenure split will be 75% affordable rented and 25% intermediate (shared ownership). The local planning authority will negotiate the appropriate tenure split on a site by site basis based upon the latest evidence of needs in the site locality.
3. Affordable housing units will be integrated throughout the development site, be indistinguishable in design and materials from the market housing on the site and remain affordable in perpetuity.

The strong presumption is that affordable housing will be provided on the development

¹³ LDC. (May 2016). Lewes District Local Plan Part 1 - Joint Core Strategy. (Pp.81-86). <http://www.lewes-eastbourne.gov.uk/planning-policy/lewes-core-strategy-local-plan-part-1/?assetdetb15f5c56-9bf9-4867-b307-cdbef931760d=257159>

¹⁴ LDC. (May 2016). Core Policy 1 Affordable Housing. <http://www.lewes-eastbourne.gov.uk/planning-policy/lewes-core-strategy-local-plan-part-1/>

site. In exceptional circumstances, the local planning authority may, at its discretion, consider accepting in lieu an off-site contribution on another suitable serviced site provided by the developer in the first instance or a financial contribution of broadly equivalent value. In such circumstances the local planning authority will have particular regard to the need to develop mixed and balanced communities and will need to be persuaded that the affordable housing cannot satisfactorily be provided on the development site itself. In the National Park the focus will be on the provision of affordable housing to ensure that the needs of local communities in the National Park are met.

Where sites are allocated in a Development Plan Document a different affordable housing requirement may be specified (either higher or lower), taking into consideration any site specific factors that may affect financial viability and/or the wider planning benefits of the development of that site.

The local planning authority will monitor the delivery of affordable housing through the Authority Monitoring Report. In the event of persistent under delivery against this policy target and the Housing Strategy annual target the Council will review the targets and thresholds of this policy. In the event of a fall of 10% or more in East Sussex average house prices (Land Registry House Price Index June 2011 baseline) the local planning authority will review the thresholds and targets of this policy.

Due to the largely rural nature of the district, Rural Exception Sites for local needs affordable housing outside the planning boundary of rural settlements will continue to be considered according to the requirements of Policy RES10 carried forward from the Lewes District Local Plan 2003.

Box B: Core Policy 2 – Housing Type, Mix and Density, applicable within the Lewes District Council Planning Authority boundary ¹⁵

Key Strategic Objectives:

- To deliver the homes and accommodation for the needs of the district and ensure the housing growth requirements are accommodated in the most sustainable way.
- To conserve and enhance the high quality and character of the district's towns, villages, and rural environment by ensuring that all forms of new development are designed to a high standard and maintain and enhance the local vernacular and 'sense of place' of individual settlements.
- To maximise opportunities for re-using suitable previously developed land in urban areas and to plan for new development in the highly sustainable locations without

¹⁵ LDC. (May 2016). Lewes District Local Plan Part 1 - Joint Core Strategy. (Pp.86-89). <http://www.lewes-eastbourne.gov.uk/planning-policy/lewes-core-strategy-local-plan-part-1/?assetdetb15f5c56-9bf9-4867-b307-cdbef931760d=257159>

adversely affecting the character of the area.

In order to deliver sustainable, mixed and balanced communities, the local planning authority will expect housing developments (both market and affordable) to:

1. Provide a range of dwelling types and sizes to meet the identified local need, based on the best available evidence. This need will generally include 1 and 2 bedroom homes for single person households and couples with no dependents. Account will also need to be given to the existing character and housing mix of the vicinity and, where appropriate, the setting of the National Park and its Purposes and Duty.
2. Provide flexible, socially inclusive and adaptable accommodation to help meet the diverse needs of the community and the changing needs of occupants over time. This need will include accommodation appropriate for the ageing population and disabled residents.
3. Reflect the site context including the character of the surrounding area, site accessibility, and the size and type of dwellings needed in the locality, to achieve densities in the region of 47 to 57 dwellings per hectare for the towns and 20 to 30 dwellings per hectare for the villages. Higher or lower densities may be justified by the specific character and context of a site. Densities to be achieved on strategic sites are indicated in the capacity and development principles of each strategic allocation in the Core Strategy. Densities to be achieved on non-strategic allocated sites will be similarly identified in the development principles that accompany each site allocation in the relevant subsequent DPD.
4. Where appropriate, the local planning authority will identify sites and local requirements for special needs housing (such as for nursing homes, retirement homes, people with special needs including physical and learning disabilities, specific requirements of minority groups etc).

Development Site Standards and Characteristics

- 3.6 A particular site's characteristics and the development as a whole should be reflected in the affordable housing mix of dwelling tenure, type and size. The Council's planning team will advise on the exact tenure, type and size split on each site through pre-application discussions.
- 3.7 It is expected that affordable housing provided onsite will be subject to the same standards and be indistinguishable from the open market housing. The provision of onsite affordable housing should be integrated into the layout of the development through 'pepper-potting' within market housing, in order to fully reflect the

distribution of property types and sizes in the overall development. The Council recognises that pepper-potting may not be possible on development sites consisting of 25 dwellings or less. For developments consisting of more than 25 dwellings, discussions are required between the Council and the applicant/developer on a site-by site basis. The Council will use the nationally described space standards, as set out in Section 6 of this SPD, as a guideline for what size of accommodation is desirable to ensure residential amenity is protected.

- 3.8 Within flatted developments it is accepted that management and other requirements could mean floors, wings or whole blocks will generally be designated for affordable or market housing, or that on larger developments affordable housing is likely to be provided in small clusters around the development. Any such management issues will be taken into consideration in order to arrive at a consensus which is beneficial to the provision of affordable housing.
- 3.9 The housing should comply with all relevant design and quality codes and standards as set out by the Homes and Communities Agency or other associated national bodies, as well as any corresponding local policy, guidance and specifications.

Delivery of Affordable Housing Provision

- 3.10 Information gathered from the Council's Housing Register provides an indication of the need for each dwelling type. With reference to this, the Council will expect the affordable housing units within each development to be provided broadly in line with the dwelling mix set out below. The local planning authority will negotiate the appropriate dwelling mix on a site by site basis based upon the latest evidence of needs in the site locality.
- 1 bedroom: 50 per cent;
2 bedrooms: 30 per cent;
3 bedrooms: 15 per cent; and
4+ bedrooms: 5 per cent.
- 3.11 Housing proposals will be expected to make efficient use of land in accordance with Core Policy 2 of the Core Strategy. Any proposal that appears to have an artificially low density as a possible measure to avoid the required thresholds for affordable housing will be scrutinised and may be refused planning permission, where it fails to make efficient use of land and provide appropriate levels of affordable housing.

- 3.12 Affordable housing should be delivered by housing providers that have a strong stake within the Lewes District area. The choice of housing provider should be agreed upon by the developer with the Council.
- 3.13 It is expected that the majority of new affordable housing delivered in line with this SPD will be delivered without the aid of a grant. The price to be paid by the housing provider or other private sector body to the developer will therefore need to be an amount that delivers the housing as affordable housing without the input of social housing grant.
- 3.14 The provision of affordable housing will be subject to a Nominations Agreement between the Council and the housing provider. A copy of the template of a Nominations Agreement will be attached as part of the Section 106 Agreement template. This will be made available at the moment the planning application is made.

Timeline

- 3.15 The Council expects delivery of affordable housing to be considered by the developer as a priority contribution, after the provision of essential development prerequisites, such as highways requirements and flood storage provision, for example.
- 3.16 The Council expects 50 per cent of affordable housing dwellings to be completed by the time no more than 25 per cent of the open market dwellings are occupied, and 100 per cent of affordable housing dwellings to be completed by the time no more than 50 per cent of the open market dwellings are occupied. The Council is willing to negotiate the timeline to agree upon a phasing plan.

4. Policy Obligations

Application of Policy

- 4.1 The requirement for affordable housing applies to all developments that would result in net additional residential units being provided within the C3 Planning Use Class.
- 4.2 The criteria for determining whether the use of particular premises should be classified within the C3 Use Class include both the manner of the use and the physical condition of the premises. Premises can properly be regarded as being used as a single dwelling house where they are:
- A single, self-contained unit of occupation which can be regarded as being a separate 'planning unit' distinct from any other part of the building containing them;
 - Designed or adapted for residential purposes – containing the normal facilities for cooking, eating and sleeping associated with use as a dwelling house.¹⁶
- 4.3 For clarity, the affordable housing policy applies to sheltered, extra care and assisted living residential development in the same way as it does to general dwelling houses, where each residential unit is designated within the C3 Planning Use Class. It also applies to conversions and subdivisions where there is a net residential gain of 11 or more dwelling units. The affordable housing requirements do not apply to developments designated within the C2 Planning Use Class.

Prioritisation of Affordable Homes

- 4.4 The strong presumption is that the policy of affordable housing will be delivered on all developments of 11 or more dwelling units. Therefore, there is a firm expectation that affordable housing will be provided on the development site, where provision could reasonably be made under the terms of the policy without making the development non-viable. The policy is not intended to operate in a way that renders development non-viable and thereby should not reduce development coming forward. Section 7 of this Affordable Housing SPD explains how viability issues will be considered, so that where it is demonstrated that development would not be viable with the contribution required under the policy, the level of contribution can be reduced or waived to ensure that development remains viable.
- 4.5 The priority for Lewes District Council is to increase the number of affordable homes within the district, and ideally developers will build the correct number and

¹⁶ DCLG. (November 2012). Changes to Planning Regulations for Dwellinghouses and Houses in Multiple Occupation. (Pp.2-6). https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5678/1759707.pdf

mix of affordable dwellings on site in accordance with Core Policies 1 and 2. However, where this is not possible the Council will work to a four tier system of general principles, weighted towards the independently assessed financial viability of each of the following options. The Council recognises there will be variation in circumstances, and will assess each development on a site-by-site basis. The four tiers are:

- i. The Council's onsite preferred mix;
- ii. An onsite alternative mix to be agreed upon by the Council and the relevant developer(s);
- iii. A level of affordable housing onsite which is less than the specified threshold;
- iv. A commuted sum.

4.6 In some circumstances the Council may be willing to negotiate with the applicant/developer the acceptance of a serviced plot as payment in kind with a commuted sum of relatively lower value. This will be commensurate to the value of the commuted sum which would otherwise be calculated and paid to the Council in the absence of the serviced plot. The value of serviced plots for each dwelling type will be based on those displayed in *Table 2: Affordable Housing Commuted Sum Payment Table* of this document.

Payment and Allocation of Commuted Sums

4.7 If, following negotiations between Lewes District Council and the applicant, the outcome is that a commuted sum is to be paid to the Council, the commuted sum will be based on the size of the dwellings as agreed between the Council and the applicant during the planning application stage. The sum to be paid will be calculated based on the size of the internal floor area of the proposed dwellings, on a per square metre (sqm) basis. The methodology used to calculate the contribution per square metre is set out in Appendix B.

4.8 The Council is aware that during pre-application discussions, applicants/developers may assert that affordable housing would be undeliverable on a development site, before submitting a formal planning application. In some circumstances it will be agreed between the Council and the applicant/developer that a commuted sum will be paid to the Council, in lieu of the affordable housing which would have been built. The commuted sum to be paid will be based on the dwelling type and size of the affordable housing which the Council deems would be most suited to the current housing needs on that particular development site, following discussions with the applicant/developer.

4.9 The commuted sum to be paid and the payment schedule will be reflected in the Section 106 Agreement. The expectation is that the commuted sum will be paid

prior to the commencement of the development and this will also be reflected in the Section 106 Agreement. However, Lewes District Council recognises the potential for economic conditions to change. With reference to this, the Council may agree to an alternative payment schedule. More information regarding Section 106 Agreements is available through the Council's [pre-application planning advice](#) webpage.

- 4.10 The Planning Practice Guidance¹⁷ states that contributions should not be sought from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000 square metres (sqm). If the number of dwellings to be built on a development site is below the threshold regarding the number of units required to contribute affordable housing, but has a combined gross floorspace of more than 1,000 sqm, the Council expects that either affordable housing units will be built on the development site, or a commuted sum will be paid to the Council. The number of affordable units to be built on the development site or the commuted sum to be paid, will apply to the total development site in line with the threshold as stated in Core Policy 1 of the Core Strategy, i.e. 40 per cent affordable housing or the equivalent commuted sum will be sought from the applicant/developer.
- 4.11 In circumstances where a development consists of 10 units or less, but it is determined that a commuted sum is to be paid to the Council due to the development exceeding a combined gross floorspace of 1,000 sqm, the commuted sum to be paid will be calculated based on the size of the gross internal floor area of the proposed dwellings on a per sqm basis, as specified by the Royal Institution of Chartered Surveyors at September 2015¹⁸. The calculation includes integral garages, and excludes ancillary uses such as sheds, greenhouses and adjacent garages.
- 4.12 The Council will have a maximum of 10 years from the date of payment to spend the commuted sum. After this time any unspent money will be refunded. The details of which will be stipulated in the Section 106 Agreement. Where a financial contribution is secured via a Section 106 Agreement, the contribution will be 'ring-fenced' and used to meet the Council's affordable housing objectives.
- 4.13 In order to maximise the benefits derived from deployment of any commuted sums in addressing the affordable housing needs of the district, the Council will prioritise expenditure on a one-for-one basis. Where this is not possible, the Council will look to maximise the number of units to be built.

¹⁷ DCLG. (Revision date: 19 May 2016). Planning obligations. (Paragraph: 031, Reference ID: 23b-031-20161116). <https://www.gov.uk/guidance/planning-obligations>. Last accessed on 17/07/17.

¹⁸ Royal Institution of Chartered Surveyors. (18 September 2015). Gross Internal Floor Area (GIFA) and International Property Measurement Standard (IPMS) for Offices. <http://www.rics.org/uk/knowledge/bcis/about-bcis/forms-and-documents/gross-internal-floor-area-gifa-and-ipms-for-offices/>

- 4.14 The intention will be to spend any commuted sums within the close geographical proximity to where the commuted sum was generated, but may be spent anywhere within the Lewes District Council Planning Authority boundary. In some circumstances, commuted sums may be pooled and used to enable the provision of affordable housing, as determined by the Council.
- 4.15 The Council will maintain a record of all commuted sums received and will monitor how the sums are spent.

Planning Obligations - Section 106 Agreements

- 4.16 A planning obligation (Section 106 Agreement) is a legal agreement or undertaking between the Council and an applicant/developer, executed as a deed, to restrict the use of the land or to do any of the things listed in section 106(1) of the Town and Country Planning Act 1990. The Council will require the Section 106 Agreement to be executed by all those with an interest in the land and the obligations will generally be binding against all those party to the agreement and their successors in title. An obligation requires the applicant/developer to provide either a financial contribution, physical infrastructure or a management plan in relation to their development proposal, and otherwise restricts what can be done with land following the granting of planning permission. Planning obligations are now mainly used to deliver site-specific mitigations that may be required to make the development acceptable in planning terms.
- 4.17 A Section 106 Agreement will be drawn up by the Council, which forms the legal basis upon which the applicant/developer delivers affordable housing onsite, offsite, or contributes financially through a commuted sum payment or serviced plots. The purpose of a Section 106 Agreement is to secure affordable housing in perpetuity for local people most in need, and at prices and rents which remain affordable. The cost of the Section 106 Agreement will be borne by the applicant.
- 4.18 For all planning applications that require affordable housing, the affordable housing will be secured through the signing of a Section 106 Agreement. This relates to all sites above the stated thresholds. Guidance notes on the submission of [Heads of Terms](#) for Section 106 Agreements are available from the Council website.

Mortgagee in Possession Clauses

- 4.19 In consultation with the applicant/developer the Council will look to support Mortgagee in Possession Clauses which have a time period of three months or less.

5. Commuted Sums

- 5.1 In accordance with Core Policy 1, and in reference to the Planning Practice Guidance¹⁹, an affordable housing contribution is sought from residential developments of 11 or more which involve a net gain in the number of units onsite. The Council recognises that occasionally it may be difficult to provide affordable homes within the smallest developments, and therefore on such sites a commuted sum based on the associated threshold of affordable housing may be accepted towards improving the provision of affordable housing offsite.
- 5.2 A commuted sum will only be applicable to developments where delivery onsite is assessed as unviable and is agreed by the Council, or where a financial contribution in lieu of a percentage of a unit is required (i.e. less than 1 whole unit). The Council will use the *Affordable Housing Commuted Sum Payment Table* below to calculate the commuted sum payments.
- 5.3 The size of any affordable housing will be agreed between the Council and the applicant/developer during the application stage. If, following the submission of a planning application, the applicant/developer subsequently asserts that the affordable housing component of the development is unviable, a commuted sum may be sought. The commuted sum will be based on the size of the affordable housing which it was originally agreed would be built. However, if no agreement in terms of size can be reached, the commuted sum to be paid will be based upon the average (mean) internal dwelling size of all dwellings across the development site.

Commuted Sum Calculation

- 5.4 The Council's approach to calculating the offsite financial contribution, the commuted sum, is to base the calculation on the cost of providing affordable housing on another site without subsidy. The financial contribution is based on the development cost within an equivalent development to construct affordable housing.
- 5.5 The basis for calculating the cost to the developer of onsite provision will be the Affordable Housing Commuted Sum Payment Table, which is arranged by market value area, housing type and the Council's guideline space standards for affordable housing sizes. Where the policy results in a percentage of a unit to be provided, this percentage can be calculated in monetary terms using the Payment Table.

¹⁹ DCLG. (Revision date: 19 May 2016). Planning obligations. (Paragraph: 031, Reference ID: 23b-031-20161116). <https://www.gov.uk/guidance/planning-obligations>. Last accessed on 17/07/17.

- 5.6 The method calculates the commuted sum by assessing the average market sales value of housing. The serviced plot value is then subtracted. Of the remaining development costs forty per cent of this is calculated, and then divided by the Council's guideline dwelling size (internal floor area by square metre), to arrive at the contribution per square metre (sqm). Appendix B of this SPD provides further explanation of the methodology used to construct the Affordable Housing Commuted Sum Payment Table.
- 5.7 In using the Payment Table, the commuted sum for each unit will be calculated based on the internal floor area (sqm) of the development. This will be multiplied by the 'contribution per sqm' cell in the Payment Table. If the calculation required relates to a percentage of a unit, then a percentage of this sum will be calculated.
- 5.8 For the purposes of affordable housing provision and based on an independent assessment, Lewes District Council has chosen to divide the district into two value market areas. These areas reflect the dwelling prices across the district, which affect the residual site values and the financial viability of delivering affordable housing on sites within these market value areas. Appendix A contains a map displaying the High and Low Value Market Areas. Developments located within either the High Value Market Area or the Low Value Market Area are required to deliver the same policy targets for affordable housing, i.e. 40 per cent. The commuted sums for dwellings of various sizes and located in both of these market areas are summarised in Table 2: Affordable Housing Commuted Sum Payment Table.

Table 2: Affordable Housing Commuted Sum Payment Table * **

Lewes District - High Value Market Area

Commuted Sum Values	Studio Flat	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House
Unit Size - m ²	39	50	61	79	93
MV completed unit (MV)	£120,000	£170,000	£220,000	£265,000	£330,000
Serviced Plot Value per unit (SPV)	£11,072	£26,602	£42,131	£64,441	£89,207
MV - SPV = Development Costs	£108,928	£143,399	£177,869	£200,559	£240,793
40% of Development Costs	£43,571	£57,359	£71,147	£80,224	£96,317
Contribution per sqm	£1,117	£1,147	£1,166	£1,015	£1,036

Commuted Sum Values	4 Bed House	5+ Bed House	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow
Unit Size - m ²	106	119	50	70	86
MV completed unit (MV)	£375,000	£425,000	£250,000	£275,000	£310,000
Serviced Plot Value per unit (SPV)	£101,398	£117,108	£80,815	£61,846	£57,225
MV - SPV = Development Costs	£273,602	£307,892	£169,185	£213,154	£252,775
40% of Development Costs	£109,441	£123,157	£67,674	£85,262	£101,110
Contribution per sqm	£1,032	£1,035	£1,353	£1,218	£1,176

Lewes District - Low Value Market Area

Commuted Sum Values	Studio Flat	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House
Unit Size - m ²	39	50	61	79	93
MV completed unit (MV)	£105,000	£150,000	£215,000	£210,000	£230,000
Serviced Plot Value per unit (SPV)	£517	£12,529	£38,613	£25,742	£18,845
MV - SPV = Development Costs	£104,483	£137,471	£176,387	£184,258	£211,155
40% of Development Costs	£41,793	£54,988	£70,555	£73,703	£84,462
Contribution per sqm	£1,072	£1,100	£1,157	£933	£908

Commuted Sum Values	4 Bed House	5+ Bed House	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow
Unit Size - m ²	106	119	50	70	86
MV completed unit (MV)	£250,000	£280,000	£225,000	£250,000	£275,000
Serviced Plot Value per unit (SPV)	£13,446	£15,083	£63,224	£44,255	£32,598
MV - SPV = Development Costs	£236,554	£264,917	£161,776	£205,745	£242,402
40% of Development Costs	£94,622	£105,967	£64,710	£82,298	£96,961
Contribution per sqm	£893	£890	£1,294	£1,176	£1,127

* Unit sizes taken from Table 1 - Minimum gross internal floor areas and storage (m²) - Technical housing standards – nationally described space standard (DCLG, March 2015; P.5).

** Figures rounded to nearest £.

- 5.9 The Council will review the Affordable Housing Commuted Sum Payment Table, to reflect any changes in economic viability over the lifetime of the Core Strategy. This will ensure that commuted sums remain financially viable for all relevant development types, and that affordable housing contributions will not compromise residential development in the foreseeable future. Monitoring is explained in section 9. *Monitoring* of this document.
- 5.10 The following worked examples demonstrate how to calculate the commuted sum for a proposed development, if onsite delivery of the affordable housing is assessed as being unviable, or where a commuted sum for a percentage of a unit is required.

Box C: Worked example for commuted sum payment in lieu of delivery of affordable housing units

Development: Net delivery of 15no 2 bedroom houses within the High Value Market Area, each with an internal floor area of 80 square metres.

Policy requirement of 40 per cent affordable housing: $0.40 \times 15 = 6$ affordable units

Delivery:

- (1) Onsite delivery of 6 affordable units, appropriately arranged on the site; or
- (2) If justified as unviable to deliver 6no 2 bedroom houses onsite, and if tiers I to III as set out in paragraph 4.5 are assessed as undeliverable and it is agreed by the Council, use the Affordable Housing Commuted Sum Payment Table to calculate the sum payment for the full quota of 6no 2 bedroom houses at £1,015 per sqm.

The financial contribution would be calculated as:

6 units x 80 sqm x £1,015 = £487,200

Box D: Worked Example for commuted sum payment for a percentage of an affordable unit

Development: Net gain of 12no 2 bedroom flats within the Low Value Market Area, each with an internal floor area of 65 square metres.

Policy requirement of 40 per cent affordable housing: $0.40 \times 12 = 4.8$ affordable units.

Delivery:

- (1) Onsite delivery of 5 affordable units, appropriately arranged on the site; or
- (2) Onsite delivery of 4 affordable units and a commuted sum for 0.8 (80 per cent) of a 2 bedroom flat, calculated from the Affordable Housing Commuted Sum Payment Table at £1,157 per sqm.

The financial contribution would be calculated as:

$$0.8 \text{ units} \times 65 \text{ sqm} \times \text{£}1,157 = \text{£}60,164$$

- (3) If justified as unviable to deliver the affordable units on site, use the Affordable Housing Commuted Sum Payment Table to calculate the sum payment for the full quota of 4.8no 2 bedroom flats at £1,157 per sqm.

The financial contribution would be calculated as:

$$4.8 \text{ units} \times 65 \text{ sqm} \times \text{£}1,157 = \text{£}360,984$$

Indicative values of commuted sums to be paid are displayed in Appendix C.

Application of Commuted Sums where affordable housing provision is not suitable

5.11 In the following instances it may not be considered appropriate to deliver affordable housing units onsite. In these instances, the Council may alternatively seek either a commuted sum or offsite provision:

- Where the policy requirement results in a percentage of less than one whole unit being provided. A commuted sum will be required for this percentage of a unit. Commuted sum payments will be calculated using the Payment Table which is explained in this SPD. All commuted sums collected by the Council will be used to help deliver new and additional affordable housing;
- Where the development consists of a flatted development, including new build and conversion or refurbishment of existing buildings, where it would not be possible on technical or architectural grounds to provide a separate entrance and access areas for the affordable housing separate from that fitted for housing provided at full market rates. This will be independently assessed and verified;
- Where the development consists of a high value flat or similar development with high service charges, which would affect the overall affordability of housing. The relevant housing provider will assess whether the housing is affordable.

6. Guidance on Standards for Development

Space Standards

- 6.1 The Council will use the nationally described space standards, taken from the DCLG document *Technical housing standards – nationally described space standard*²⁰, as a guideline for the internal space to be provided within the affordable housing to ensure that development protects the residential amenity of existing and future residents. The space standard guidelines are set out in Table 3: Gross internal floor areas and storage (m²).
- 6.2 The Gross Internal Area of a dwelling is defined as the total floor space measured between the internal faces of perimeter walls that enclose the dwelling. This includes partitions, structural elements, cupboards, ducts, flights of stairs and voids above stairs. The Gross Internal Area should be measured and denoted in square metres (m²). The Gross Internal Areas in Table 3 will not be adequate for wheelchair housing (Category 3 homes in Part M of the Building Regulations) where additional internal area is required to accommodate increased circulation and functionality to meet the needs of wheelchair households.

Table 3: Gross internal floor areas and storage (m²)

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) ²			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	

²⁰ DCLG. (March 2015). Technical housing standards – nationally described space standard. (P.5).
[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/421515/150324 -
 _Nationally_Described_Space_Standard_Final_Web_version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/421515/150324_-_Nationally_Described_Space_Standard_Final_Web_version.pdf)

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

6.3 Where possible, the Council will always seek 2 bedroom flats able to house 4 persons, where viable.

Quality of Design, Materials and Construction

6.4 Development schemes should be designed with a view to reducing any ongoing management, maintenance and repair costs. Developments should also make use of good quality materials. This will reduce the risk of properties no longer being kept in good condition, falling into disrepair or blighting the area in the future. Designs which do not accommodate the long-term maintenance requirements, or use of low quality materials will not be acceptable to the Council.

6.5 The expectation is that homes will be built to Level 2 of the Accessibility Standard²¹ where possible, and will comply with requirement M4(2) of *Approved Document M: access to and use of buildings, volume 1: dwellings*²². Further information regarding building regulations is set out in the Department for Communities and Local Government's [Approved Documents](#).

²¹ DCLG. (August 2013). Housing Standards Review: Illustrative Technical Standards Developed by the Working Groups. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/230251/2_-_Housing_Standards_Review_-_Technical_Standards_Document.pdf

²² DCLG. (March 2016). Approved Document M: access to and use of buildings, volume 1: dwellings. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/540330/BR_PDF_AD_M1_2015_with_2016_amendments_V3.pdf

7. Planning Application Process for Residential Developments

6.6 The key stages involved in processing the affordable housing requirements for residential development schemes are set out below. Further information regarding the planning application process, including pre-application advice and how to make an application is available from the Council's [Planning application process](#) webpage.

Step 1 – Pre-application Discussions

6.7 The Council encourages all applicants (whether developers, land agents or individuals) to undertake pre-application discussions with the Council's Planning and Housing Officers to discuss any proposed residential developments. In order to deliver the requirements of the housing policy, it will be essential to discuss the financial viability of the scheme at an early stage, and particularly if the prospective applicant believes that viability may be compromised as a result of the Council's affordable housing policy. Appendix D provides advice regarding the information applicants should consider in their financial viability appraisals of development schemes for affordable housing.

6.8 The affordable housing policy will be applied in line with *Core Policy 1* and *Core Policy 2* of the *Core Strategy*. This will involve taking into account other planning considerations which may affect the affordable housing to be provided. Regard will be made to:

- The viability of development, considering the need and cost of supporting infrastructure on and off the site and any unavoidable and necessary site remediation to resolve environmental hazards;
- The location and character of the site;
- The tenure of affordable housing and type of dwelling units required in relation to the housing needs and the viability of specific developments;
- The current availability of affordable housing in the local area when measured against demand for such accommodation; and
- Any updated national policy and/or guidance to be implemented.

Step 2 – Financial Viability Assessment of the Development

6.9 When assessing the financial viability of a residential development the applicant should refer to the considerations listed in Appendix D of this Affordable Housing SPD, unless there are any justified overriding factors. The Council recommends using an independent viability expert to assist in assessing the viability of the proposed development. Applicants may use their own viability assessment toolkit

to assess financial viability, for which their figures should be independently verified by a qualified valuation officer or an organisation that is a full member of the Royal Institute of Chartered Surveyors (RICS), prior to the submission of the application. Should any such viability assessment assert that a development is unviable, the Council will, if necessary, commission an independent viability expert to scrutinise the assessment. The cost of any such assessment will be paid by the applicant.

- 6.10 If an applicant/developer considers that the mandatory requirements of the Council's policy in respect of affordable housing cannot be met on a particular site, then any such representation must be justified in an evidenced and 'open-book' Viability Assessment and supporting statement, including all necessary information to demonstrate and justify residual values. These should be provided by the applicant/developer to the Council during the pre-application discussions. The Council will therefore need to receive all the required figures for the Viability Assessment, including a Residual Valuation prior to the application being validated for consideration. This will prevent unnecessary delays to applications being decided. If the application is submitted without a satisfactory Viability Assessment, then it is likely that the application will be recommended for refusal.

Step 3 – Open Book Approach with Lewes District Council

- 6.11 The 'open book' approach detailed above will allow any reduced or amended affordable housing contribution to be assessed and agreed prior to the submission of a formal planning application. In this way data which the applicant may regard as commercially sensitive will remain outside the public domain. This approach will also assist in the efficient consideration of the planning application.
- 6.12 If the Council is required to seek an opinion from an independent viability expert, then this cost will be borne by the applicant. A liability notice to pay the viability expert fees will be issued by the Council, from which there will be a four week period for the Council to receive payment from the applicant. If this payment is not received the application cannot be progressed. The independent viability expert will consider the financial impact of the cost of the affordable housing on the overall viability of the development. In making this assessment, the viability expert will build in an assumed acceptable developer profit level. If the provision of affordable housing in line with the Council's policy is proven to affect the overall viability of the development, the viability expert will calculate the total viability shortfall cost: the additional sum required to make the development viable for the developer with onsite affordable housing provided.

Step 4 - Next Steps if the site is assessed as unviable

- 6.13 If it is agreed that the requirements of the Council's affordable housing policy will render a site unviable, the Council's Planning and Housing Officers will work with

the applicant/developer until overall delivery is considered viable. The Council's general preferences, in line with the overall provisions of Core Policy 1, are set out in order of priority in paragraph 4.5. Listed below, in sequential order, are options the Council will work through with the applicant/developer on a site-by-site basis to ensure viability. This provides further elaboration of the options discussed in the Core Strategy:

- An amended mix of affordable tenures to deliver in full the required quota of affordable homes on the application site;
- Delivery in full of the required quota of affordable homes on an alternative suitable and serviced site elsewhere within Lewes District, completion of such homes to be achieved within a similar time line to that established for the affordable housing originally proposed for the application site;
- A reduction in the number of affordable homes to be delivered on the application site;
- A commuted sum equivalent in value to the cost to the developer of onsite provision. All commuted sums collected by the Council will be used to help deliver new and additional affordable housing. As stated above, commuted sums will need to be spent by the Council within 10 years from the date of payment;
- Support for an application to Homes England for grant funding to deliver in full the required quota of affordable homes on the application site. It should be noted that Homes England policy is not to award grant funding to schemes subject to the provisions of a Section 106 Agreement, other than in the most exceptional of circumstances. The Council reserves the right to reject this option if to do so would adversely impact upon the time taken to determine the application;
- An application to the Council for grant funding to deliver in full the required quota of affordable homes on the application site. It should be noted that the Council does not award grant funding to developments subject to the provisions of a Section 106 Agreement, other than in the most exceptional of circumstances. The Council reserves the right to reject this option if to do so would adversely impact upon the time taken to determine the application;
- To abandon the requirement for affordable housing to be provided or funded as a consequence of the development. This option will not normally be considered unless there is clear, justifiable and independently verified evidence that none of the options detailed above are viable.

6.14 Applicants/developers should be aware that alternatives to onsite provision can only proceed with the agreement of the Council. Offers of alternative arrangements or provision will not automatically be accepted by the Council without working through the options listed in paragraph 7.8 above.

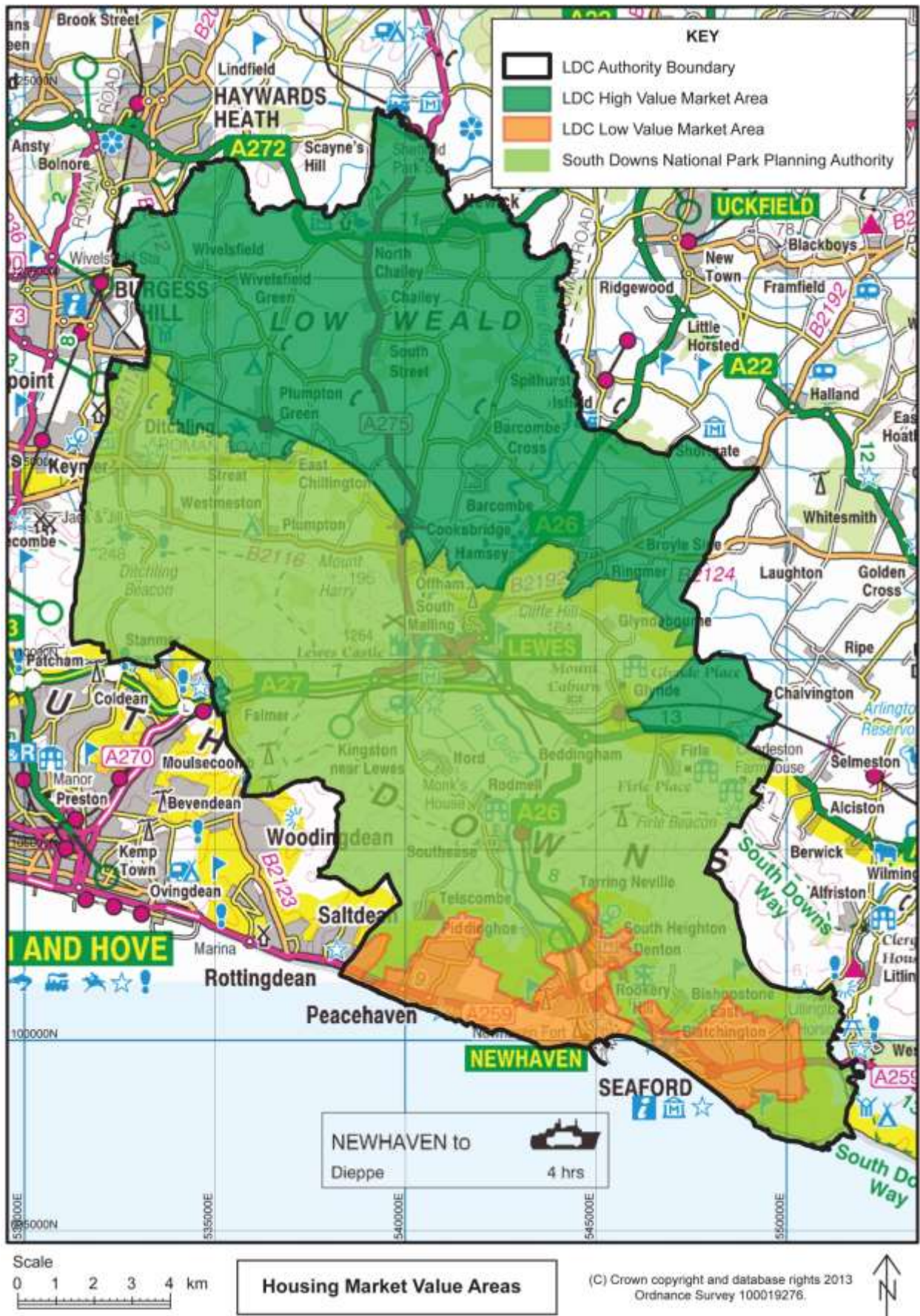
8. Delivery Organisations

- 8.1 The Regulator of Social Housing (RSH) is responsible for registering and regulating providers of social housing. RSH maintain a Statutory Register of Providers of Social Housing (the register), which lists private (both not for profit and for profit) and local authority providers. RSH upload a monthly spreadsheet of current registered providers which lists the names, registration numbers, registered office addresses, type of provider, registration date and legal entity. RSH also publish a list of registrations and de-registrations to the register each month. The Registered Provider information is available from the [Regulation of social housing](#) webpage.
- 8.2 Lewes District Council is willing to work with housing providers which are not registered with RSH as well as those housing providers which are registered with RSH, in order to maximise the opportunities to provide affordable housing in the Lewes District.
- 8.3 Whilst Lewes District Council works with some affordable housing providers more frequently than others, the Council does not maintain a formal list of affordable housing preferred partners. However, the Council can provide a list containing a number of partners it has previously worked with which provide and manage homes, if requested. Developers would normally contact providers themselves in order to make the necessary arrangements.
- 8.4 In all instances, the Council will expect to be granted nomination rights to all tenures of affordable housing, to enable the Council to support those people registered on the Housing Register. The Council will make use of such nomination rights in line with its prevailing Allocations Policy. Further information relating to nominations is available from the Council's [Housing Allocations Policy](#) document.

9. Monitoring

- 9.1 As stated in Core Policy 1, the local planning authority will monitor the delivery of affordable housing through the Authority Monitoring Report. In the event of persistent under delivery against this policy target and the Housing Strategy annual target, the Council will review the targets and thresholds of the policy.
- 9.2 In the event of a fall of 10 per cent or more in East Sussex average house prices (Land Registry House Price Index June 2016 baseline) the local planning authority will review the targets and thresholds of this SPD.
- 9.3 The delivery of affordable housing will also be monitored and reported in the quarterly monitoring report to Scrutiny and Cabinet which reports progress towards the objectives in the Council Plan 2016 to 2020.

Appendix A: Map of High and Low Value Market Areas



Appendix B: Commuted Sum Methodology

- i. **Unit Size - m²:** These figures are taken from the Department for Communities and Local government document *Technical housing standards – nationally described space standard*, which sets out requirements for the Gross Internal (floor) Area of new dwellings at a defined level of occupancy. The standards require that dwellings provide at least the gross internal floor area and built-in storage area set out in Table 3 of this Affordable Housing Policy Guidance.
- ii. **Market Value (MV) completed unit:** The Market Value completed unit was assessed by the District Valuation Service (DVS) in Summer 2016, and is based on the average sales values for open market values in both high value and low value market areas. Each type of dwelling in each of the MV areas has been independently assessed and is based on information including Land Registry data and detailed market sales research across all regions of the district.

The district has been split into two areas as follows:

- Low Value Market Area: Peacehaven, Newhaven and Seaford along the coast.
- High Value Market Area: The rest of the district north of these three coastal areas.

Research has indicated the following average market values:

Unit Type	Approx. Size – Sqm	High Value £	Low Value £
Studio Flat	39	120,000	105,000
1 bed Flat	50	170,000	150,000
2 Bed Flat	61	220,000	215,000
2 Bed House	79	265,000	210,000
3 Bed House	93	330,000	230,000
4 Bed House	106	375,000	250,000
5+ Bed House	119	425,000	280,000
1 Bed Bungalow	50	250,000	225,000
2 Bed Bungalow	70	275,000	250,000
3+ Bed Bungalow	86	310,000	275,000

- iii. **Serviced Plot Value per unit:** The Serviced plot value per unit for each type of dwelling was assessed by the District Valuation Service (DVS) in Summer 2016 and is calculated by taking average sales values for open market values in both low

value and high value market areas, and then deducting the developments costs for delivering the units to show the residual land value calculated as a serviced plot value.

- iv. **Development Costs:** The Development Costs used in the Affordable Housing Commuted Sum Payment Table are based on information provided by the District Valuation Service (DVS) in Summer 2016 and are set out in the tables below. The Development Costs used in the calculations of commuted sums are calculated by subtracting the Serviced Plot Value (SPV) from the Market Value (MV) (Development Value).

High Value Market Area: Development Costs**Studio Flat (39 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£60,333.00
Site infrastructure & Other Works	£6,033.30
External Works	£3,016.65
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£2,081.49
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£5,550.64

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£2,623.76
Professional Fees	£194.27

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£2,400.00
<u>Developers Profit (17.5%)</u>	£21,000.00

Total Development Cost **£107,333.10**

Residual Land Value

Gross	£12,666.90
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Development Value: **£120,000.00**

Acquisition Costs (Net)	£12,445.23
Holding Cost (Land interest)	-£1,373.60

Serviced Plot Value: **£11,071.62**

MV - SPV = Development Costs **£108,928.38**

High Value Market Area: Development Costs**1 Bed Flat (50 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£77,350.00
Site infrastructure & Other Works	£7,735.00
External Works	£3,867.50
Demolition/ Site clearance	£0.00
S106 Cost / unit:	£2,500.00
Contingency	£2,668.58
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£7,116.20

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£3,329.24
Professional Fees	£249.07

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£3,400.00
<u>Developers Profit (17.5%)</u>	£29,750.00

Total Development Cost **£139,565.58**

Residual Land Value

Gross	£30,434.42
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Development Value: **£170,000.00**

Acquisition Costs (Net)	£29,901.82
Holding Cost (Land interest)	-£3,300.32

Serviced Plot Value: **£26,601.50**

MV - SPV = Development Costs **£143,398.50**

High Value Market Area: Development Costs**2 Bed Flat (61 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£94,367.00
Site infrastructure & Other Works	£9,436.70
External Works	£4,718.35
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£3,255.66
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£8,681.76

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£4,034.72
Professional Fees	£303.86

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing @	£4,400.00
<u>Developers Profit (17.5%)</u>	£38,500.00

Total Development Cost **£171,798.06**

Residual Land Value

Gross	£48,201.94
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Development Value: **£220,000.00**

Acquisition Costs (Net)	£47,358.41
Holding Cost (Land interest)	-£5,227.03

Serviced Plot Value: **£42,131.37**

MV - SPV = Development Costs **£177,868.63**

High Value Market Area: Development Costs**2 Bed House (79 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£98,197.00
Site infrastructure & Other Works	£14,729.55
External Works	£4,909.85
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£3,535.09
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£9,426.91

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£4,370.50
Professional Fees	£329.94

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£5,300.00
<u>Developers Profit (17.5%)</u>	£46,375.00

Total Development Cost **£191,273.85**

Residual Land Value

Gross	£73,726.15
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Development Value: **£265,000.00**

Acquisition Costs (Net)	£72,435.94
Holding Cost (Land interest)	-£7,994.89

Serviced Plot Value: **£64,441.06**

MV - SPV = Development Costs **£200,558.94**

High Value Market Area: Development Costs**3 Bed House (93 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£115,599.00
Site infrastructure & Other Works	£17,339.85
External Works	£5,779.95
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£4,161.56
Planning Fees / unit	£500.00
Land Survey / unit	£500.00

Professional Fees £11,097.50

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£5,123.31
Professional Fees	£388.41

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£6,600.00
Developers Profit (17.5%)	£57,750.00

Total Development Cost £227,939.59

Residual Land Value

Gross	£102,060.41
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Development Value: £330,000.00

Acquisition Costs (Net)	£100,274.35
Holding Cost (Land interest)	-£11,067.46

Serviced Plot Value: £89,206.89

MV - SPV = Development Costs £240,793.11

High Value Market Area: Development Costs**4 Bed House (106 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£131,758.00
Site infrastructure & Other Works	£19,763.70
External Works	£6,587.90
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£4,743.29
Planning Fees / unit	£500.00
Land Survey / unit	£500.00

Professional Fees £12,648.77

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£5,822.35
Professional Fees	£442.71

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£7,500.00
Developers Profit (17.5%)	£65,625.00

Total Development Cost £258,991.71

Residual Land Value

Gross	£116,008.29
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Development Value: £375,000.00

Acquisition Costs (Net)	£113,978.14
Holding Cost (Land interest)	-£12,579.98

Serviced Plot Value: £101,398.17

MV - SPV = Development Costs £273,601.83

High Value Market Area: Development Costs**5 Bed House (119 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£147,917.00
Site infrastructure & Other Works	£22,187.55
External Works	£7,395.85
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£5,325.01
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£14,200.03

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	

Building Costs	£6,521.39
Professional Fees	£497.00

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£8,500.00
<u>Developers Profit (17.5%)</u>	£74,375.00

Total Development Cost **£291,018.83**

Residual Land Value

Gross	£133,981.17
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Development Value: **£425,000.00**

Acquisition Costs (Net)	£131,636.50
Holding Cost (Land interest)	-£14,528.96

Serviced Plot Value: **£117,107.54**

MV - SPV = Development Costs **£307,892.46**

High Value Market Area: Development Costs**1 Bed Bungalow (50 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£75,850.00
Site infrastructure & Other Works	£11,377.50
External Works	£3,792.50
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£2,730.60
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£7,281.60

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	

Building Costs	£3,403.77
Professional Fees	£254.86

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£5,000.00
<u>Developers Profit (17.5%)</u>	£43,750.00

Total Development Cost **£157,540.83**

Residual Land Value

Gross	£92,459.17
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Development Value: **£250,000.00**

Acquisition Costs (Net)	£90,841.14
Holding Cost (Land interest)	-£10,026.30

Serviced Plot Value: **£80,814.84**

MV - SPV = Development Costs **£169,185.16**

High Value Market Area: Development Costs**2 Bed Bungalow (70 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£106,190.00
Site infrastructure & Other Works	£15,928.50
External Works	£5,309.50
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£3,822.84
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£10,194.24

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£4,716.28
Professional Fees	£356.80

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£5,500.00
<u>Developers Profit (17.5%)</u>	£48,125.00

Total Development Cost **£204,243.16**

Residual Land Value

Gross	£70,756.84
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Development Value: **£275,000.00**

Acquisition Costs (Net)	£69,518.60
Holding Cost (Land interest)	-£7,672.89

Serviced Plot Value: **£61,845.70**

MV - SPV = Development Costs **£213,154.30**

High Value Market Area: Development Costs**3 Bed Bungalow (86 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£130,462.00
Site infrastructure & Other Works	£19,569.30
External Works	£6,523.10
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£4,696.63
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£12,524.35

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£5,766.29
Professional Fees	£438.35

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£6,200.00
<u>Developers Profit (17.5%)</u>	£54,250.00

Total Development Cost **£244,530.02**

Residual Land Value

Gross	£65,469.98
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Development Value: **£310,000.00**

Acquisition Costs (Net)	£64,324.25
Holding Cost (Land interest)	-£7,099.59

Serviced Plot Value: **£57,224.67**

MV - SPV = Development Costs **£252,775.33**

Low Value Market Area: Development Costs**Studio Flat (39 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£60,333.00
Site infrastructure & Other Works	£6,033.30
External Works	£3,016.65
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£2,081.49
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£5,550.64

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£2,623.76
Professional Fees	£194.27

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£2,100.00
<u>Developers Profit (17.5%)</u>	£18,375.00

Total Development Cost **£104,408.10**

Residual Land Value

Gross	£591.90
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Development Value: **£105,000.00**

Acquisition Costs (Net)	£581.54
Holding Cost (Land interest)	-£64.19

Serviced Plot Value: **£517.35**

MV - SPV = Development Costs **£104,482.65**

Low Value Market Area: Development Costs**1 Bed Flat (50 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£77,350.00
Site infrastructure & Other Works	£7,735.00
External Works	£3,867.50
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£2,668.58
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£7,116.20

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£3,329.24
Professional Fees	£249.07

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£3,000.00
<u>Developers Profit (17.5%)</u>	£26,250.00

Total Development Cost **£135,665.58**

Residual Land Value

Gross	£14,334.42
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Development Value: **£150,000.00**

Acquisition Costs (Net)	£14,083.57
Holding Cost (Land interest)	-£1,554.43

Serviced Plot Value: **£12,529.14**

MV - SPV = Development Costs **£137,470.86**

Low Value Market Area: Development Costs**2 Bed Flat (61 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£94,367.00
Site infrastructure & Other Works	£9,436.70
External Works	£4,718.35
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£3,255.66
Planning Fees / unit	£500.00
Land Survey / unit	£500.00

Professional Fees £8,681.76

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£4,034.72
Professional Fees	£303.86

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£4,300.00
Developers Profit (17.5%)	£37,625.00

Total Development Cost £170,823.06

Residual Land Value

Gross	£44,176.94
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Development Value: £215,000.00

Acquisition Costs (Net)	£43,403.85
Holding Cost (Land interest)	-£4,790.56

Serviced Plot Value: £38,613.28

MV - SPV = Development Costs £176,386.72

Low Value Market Area: Development Costs**2 Bed House (79 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£98,197.00
Site infrastructure & Other Works	£14,729.55
External Works	£4,909.85
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£3,535.09
Planning Fees / unit	£500.00
Land Survey / unit	£500.00

Professional Fees £9,426.91

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£4,370.50
Professional Fees	£329.94

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£4,200.00
Developers Profit (17.5%)	£36,750.00

Total Development Cost £180,548.85

Residual Land Value

Gross	£29,451.15
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Development Value: £210,000.00

Acquisition Costs (Net)	£28,935.76
Holding Cost (Land interest)	-£3,193.69

Serviced Plot Value: £25,742.06

MV - SPV = Development Costs £184,257.94

Low Value Market Area: Development Costs**3 Bed House (93 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£115,599.00
Site infrastructure & Other Works	£17,339.85
External Works	£5,779.95
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£4,161.56
Planning Fees / unit	£500.00
Land Survey / unit	£500.00

Professional Fees £11,097.50

Finance Costs

Bank Base Rate
Funding Facility Interest Rate
Compounding Frequency
Site Acquisition

Building Costs	£5,123.31
Professional Fees	£388.41

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£4,600.00
Developers Profit (17.5%)	£40,250.00

Total Development Cost £208,439.59

Residual Land Value

Gross	£21,560.41
-------	------------

Development Value: £230,000.00

Acquisition Costs (Net)	£21,183.10
Holding Cost (Land interest)	-£2,338.02

Serviced Plot Value: £18,845.08

MV - SPV = Development Costs £211,154.92

Low Value Market Area: Development Costs**4 Bed House (106 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£131,758.00
Site infrastructure & Other Works	£19,763.70
External Works	£6,587.90
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£4,743.29
Planning Fees / unit	£500.00
Land Survey / unit	£500.00

Professional Fees £12,648.77

Finance Costs

Bank Base Rate
Funding Facility Interest Rate
Compounding Frequency
Site Acquisition

Building Costs	£5,822.35
Professional Fees	£442.71

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£5,000.00
Developers Profit (17.5%)	£43,750.00

Total Development Cost £234,616.71

Residual Land Value

Gross	£15,383.29
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Development Value: £250,000.00

Acquisition Costs (Net)	£15,114.08
Holding Cost (Land interest)	-£1,668.17

Serviced Plot Value: £13,445.91

MV - SPV = Development Costs £236,554.09

Low Value Market Area: Development Costs**5 Bed House (119 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£147,917.00
Site infrastructure & Other Works	£22,187.55
External Works	£7,395.85
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£5,325.01
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£14,200.03

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£6,521.39
Professional Fees	£497.00

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£5,600.00
<u>Developers Profit (17.5%)</u>	£49,000.00

Total Development Cost **£262,743.83**

Residual Land Value

Gross	£17,256.17
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Development Value: **£280,000.00**

Acquisition Costs (Net)	£16,954.18
Holding Cost (Land interest)	-£1,871.26

Serviced Plot Value: **£15,082.92**

MV - SPV = Development Costs **£264,917.08**

Low Value Market Area: Development Costs**1 Bed Bungalow (50 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£75,850.00
Site infrastructure & Other Works	£11,377.50
External Works	£3,792.50
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£2,730.60
Planning Fees / unit	£500.00
Land Survey / unit	£500.00
<u>Professional Fees</u>	£7,281.60

Finance Costs

Bank Base Rate	
Funding Facility Interest Rate	
Compounding Frequency	
Site Acquisition	
Building Costs	£3,403.77
Professional Fees	£254.86

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£4,500.00
<u>Developers Profit (17.5%)</u>	£39,375.00

Total Development Cost **£152,665.83**

Residual Land Value

Gross	£72,334.17
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Development Value: **£225,000.00**

Acquisition Costs (Net)	£71,068.32
Holding Cost (Land interest)	-£7,843.94

Serviced Plot Value: **£63,224.38**

MV - SPV = Development Costs **£161,775.62**

Low Value Market Area: Development Costs**2 Bed Bungalow (70 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£106,190.00
Site infrastructure & Other Works	£15,928.50
External Works	£5,309.50
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£3,822.84
Planning Fees / unit	£500.00
Land Survey / unit	£500.00

Professional Fees £10,194.24

Finance Costs

Bank Base Rate
Funding Facility Interest Rate
Compounding Frequency
Site Acquisition

Building Costs	£4,716.28
Professional Fees	£356.80

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£5,000.00
Developers Profit (17.5%)	£43,750.00

Total Development Cost £199,368.16

Residual Land Value

Gross	£50,631.84
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Development Value: £250,000.00

Acquisition Costs (Net)	£49,745.78
Holding Cost (Land interest)	-£5,490.53

Serviced Plot Value: £44,255.25

MV - SPV = Development Costs £205,744.75

Low Value Market Area: Development Costs**3 Bed Bungalow (86 sqm)****Development Costs:**Building Costs

Estimated Building Cost	£130,462.00
Site infrastructure & Other Works	£19,569.30
External Works	£6,523.10
Demolition/ Site clearance	-
S106 Cost / unit:	£2,500.00
Contingency	£4,696.63
Planning Fees / unit	£500.00
Land Survey / unit	£500.00

Professional Fees £12,524.35

Finance Costs

Bank Base Rate
Funding Facility Interest Rate
Compounding Frequency
Site Acquisition

Building Costs	£5,766.29
Professional Fees	£438.35

Sale Costs

Legal Fees	£600.00
Sale Fees/Marketing	£5,500.00
Developers Profit (17.5%)	£48,125.00

Total Development Cost £237,705.02

Residual Land Value

Gross	£37,294.98
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Development Value: £275,000.00

Acquisition Costs (Net)	£36,642.32
Holding Cost (Land interest)	-£4,044.28

Serviced Plot Value: £32,598.04

MV - SPV = Development Costs £242,401.96

- v. **40% of Development Costs:** This is calculated by multiplying the Development Costs
- a. (MV – SPV) in the Affordable Housing Commuted Sum Payment Table by 0.4 (40 per cent).
 - b. The commuted sum calculation is based on 40 per cent of development costs, rather than 100 per cent of development costs, as the likelihood is that the relatively lower level of commuted sum sought by the Council is more appropriate for developers. As a comparison, registered providers expect to pay developers approximately 60 per cent of the market value for dwellings. Consequently, the developer potentially loses out on 40 per cent of the market value in each case. The Council will seek a level of commuted sum that is 40 percent of the development costs. This is less of the market value than the developer would forego by selling the dwelling to a registered provider.
- vi. **Contribution per sqm calculation:** This is calculated by dividing the *40% of Development Costs* for each type of dwelling in the Affordable Housing Commuted Sum Payment Table by the *Unit size m²* of the dwelling displayed in the Payment Table. This provides the contribution per sqm the Council expects to receive for each dwelling type, irrespective of the size of the dwelling. Applicants/developers should multiply the size of the dwelling which was scheduled to be built by the contribution per sqm for that particular dwelling type.

Appendix C: Commuted Sums: Indicative Values

Lewes - High Value Area - 40% Affordable * **

Commuted Sums	Studio Flat	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House
Unit Size - m ²	39	50	61	79	93
For 0.5 units	£21,786	£28,680	£35,574	£40,112	£48,159
1 unit	£43,571	£57,359	£71,147	£80,224	£96,317
2 units	£87,143	£114,719	£142,295	£160,447	£192,634
5 units	£217,857	£286,797	£355,737	£401,118	£481,586
10 units	£435,714	£573,594	£711,475	£802,236	£963,172

Commuted Sums	4 Bed House	5+ Bed House	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow
Unit Size - m ²	106	119	50	70	86
For 0.5 units	£54,720	£61,578	£33,837	£42,631	£50,555
1 unit	£109,441	£123,157	£67,674	£85,262	£101,110
2 units	£218,881	£246,314	£135,348	£170,523	£202,220
5 units	£547,204	£615,785	£338,370	£426,309	£505,551
10 units	£1,094,407	£1,231,570	£676,741	£852,617	£1,011,101

Lewes - Low Value Area - 40% Affordable * **

Commuted Sums	Studio Flat	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House
Unit Size - m ²	39	50	61	79	93
For 0.5 units	£20,897	£27,494	£35,277	£36,852	£42,231
1 unit	£41,793	£54,988	£70,555	£73,703	£84,462
2 units	£83,586	£109,977	£141,109	£147,406	£168,924
5 units	£208,965	£274,942	£352,773	£368,516	£422,310
10 units	£417,931	£549,883	£705,547	£737,032	£844,620

Commuted Sums	4 Bed House	5+ Bed House	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow
Unit Size - m ²	106	119	50	70	86
For 0.5 units	£47,311	£52,983	£32,355	£41,149	£48,480
1 unit	£94,622	£105,967	£64,710	£82,298	£96,961
2 units	£189,243	£211,934	£129,420	£164,596	£193,922
5 units	£473,108	£529,834	£323,551	£411,490	£484,804
10 units	£946,216	£1,059,668	£647,102	£822,979	£969,608

* Commuted Sums based on *Unit Size - m2* provided in this table.

** Figures rounded to nearest £.

Appendix D: Considerations for Residential Development Financial Viability Appraisals

VIABILITY ASSESSMENT TEMPLATE	
This template lists the variables that will be required by the applicant/developer to access in order to undertake a viability assessment of a residential scheme.	
Revenue	
Schedule of units and areas (GIAs)	Schedule of accommodation with the gross internal areas (GIA) of all units to be built expressed in sqmetres.
Private Values with evidence	Market Value of all units with supporting evidence.
Affordable Values with evidence	Affordable Values of all units with supporting evidence.
Ground Rent Value if any	Most flats are sold on a long lease with a ground rent payable, the value of which should be included.
Commercial Value with evidence if relevant	Market value of all commercial units with supporting evidence.
Gross Development Value (GDV)	The total Value of all units to be built as part of the scheme.
Development Costs	
Residual Land Value of the scheme; or	The value that the relevant scheme can afford to pay for the site; or
Market Value of the site	The Market Value of the site with supporting evidence.
Stamp Duty Land Tax and fees	All fees etc. paid on site acquisition including Stamp Duty Land Tax, agent and legal fees.
Construction costs including:	
Base Construction Costs	Build costs of all units assessed using BCIS rates, by a Quantity Surveyor or quotes received from a builder.
Externals	All external costs including access roads, landscaping services to the property etc.
Abnormals	Any additional cost including demolition, remediation, additional costs due to poor ground conditions etc.
Other Costs	Any other relevant costs incurred.
Contingency	A percentage uplift to cover any unforeseen build costs.
Professional and planning Fees	All planning fees paid to the local authority, planning consultants and fees paid to architects engineers etc in respect of design etc.
Section 106 Contributions / Community Infrastructure Levy	Any section 106 or CIL financial contributions that are required for the scheme by the local authority.
Marketing Fees	Fees paid for marketing the units including brochures, advertising, show homes etc.
Sale Fees	Fees paid to agents and solicitors for the sale of the units.
Finance Costs including arrangement fees	Finance costs charged by a bank etc for borrowing the money in order to undertake the development. The finance should be calculated by means of a cash flow but a scheme programme is to be included to show build and sales periods.
Profit on Private and Affordable Housing	The required profit expressed as a % of the Gross Development Value (GDV) of the scheme to reflect the risk.

Reference should also be made to the Department for Communities and Local Government Viability webpage (March 2014): [Viability - GOV.UK](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/281412/Viability_-_GOV.UK.pdf)

Appendix E: Other Key Policies, Documents and Sources of Information

Approved Documents (building Regulations)

[Approved Documents](#). 2016. Department for Communities and Local Government.

Core Policy 3 (Gypsy and Traveller Accommodation)

Core Policy 3 is located in the Lewes District Local Plan Part 1 - Joint Core Strategy. May 2016. Lewes District Council. Pages 89-92. [Lewes District Local Plan Part 1](#).

Homes England

[Homes England](#) brings together land, money, expertise, and planning and compulsory purchase powers, with a clear remit to facilitate delivery of sufficient new homes, where they are most needed, to deliver a sustained improvement in affordability.

Housing Allocations Policy

[Housing Allocations Policy](#) (Draft). June 2017. Lewes District Council.

National Planning Policy Framework

[National Planning Policy Framework](#) (March 2012). Department for Communities and Local Government.

Planning Portal

Further information regarding planning and building regulations, and planning applications is available from the [Planning Portal](#).

Planning Practice Guidance

The Department for Communities and Local Government have published this web-based resource to bring together planning practice guidance for England. [Planning Practice Guidance](#)

Policy RES10

Information relating to the [2003 Lewes Local Plan saved policies](#), including Policy RES10, which was carried forward from the Lewes District Local Plan (2003) is available from the joint Lewes District Council and Eastbourne Borough Council website.

Section 106 Agreements

Information relating to Section 106 Agreements can be found on the Council [pre-application planning advice](#) webpage.

Site Allocations and Development Management Policies DPD

Information relating to [Local Plan Part 2: Site Allocations and Development Management policies](#) can be found on the joint Lewes District Council and Eastbourne Borough Council website.

South Downs National Park Authority Local Plan

Information relating to the [South Downs National Park Authority Local Plan](#) can be found on the South Downs National Park Authority website.

Spatial Policy 1 (Provision of housing & employment land)

Spatial Policy 1 is located in the Lewes District Local Plan Part 1 - Joint Core Strategy. May 2016. Lewes District Council. Pages 48-51. [Lewes District Local Plan Part 1](#).

Spatial Policy 2 (Distribution of housing)

Spatial Policy 2 is located in the Lewes District Local Plan Part 1 - Joint Core Strategy. May 2016. Lewes District Council. Pages 51-56. [Lewes District Local Plan Part 1](#).

The Building regulations 2010

[The Building Regulations 2010](#). 2010. HM Government.

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Report to:	Cabinet
Date:	2nd July 2018
Title:	North Street Quarter
Report of:	Ian Fitzpatrick, Director of Regeneration and Planning
Cabinet member:	Councillor Andy Smith (Leader of the Council, Cabinet Member for Regeneration and Business) and Councillor Bill Giles (Cabinet Member for Finance
Ward(s):	Lewes Bridge, Lewes Castle and Lewes Priory
Purpose of report:	To seek approval from Cabinet on matters relating to: the acquisition of assets from the NSQ scheme; the development of, and capital allocation for, a temporary car park at the site; the disposal of Council property assets, and applications to amend the existing Traffic Regulation Orders (TROs).
Decision type:	Key Decision
Officer recommendation(s):	(1) To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive, Leader of the Council and Strategic Property Board, to purchase the Health Hub and Car Park from the North Street Quarter scheme, subject to a satisfactory business case and agreeing a purchase price with joint landowner, NSQ Ltd., in respect of both assets. (2) To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive and Cabinet Member for Finance, to authorise the development of a temporary car park at the site of North Street, and to take all and any steps necessary to facilitate implementation of such development. (3) To make an allocation of £700,000 for the development of the temporary car park within the 2018/19 capital programme. (4) To delegate authority to the Director of Regeneration and Planning, in consultation with East Sussex Country Council, to seek amendments to the existing off-street and on-street Traffic Regulation Orders (TROs) which are necessary to implement the permitted North Street Quarter development.

- (5) To delegate authority to the Director of Regeneration and Planning, in consultation with the Strategic Property Board, to dispose of Council property assets in lieu of part of a cash compensation payment for third party land interests at the NSQ, subject to an independent valuation and this being the most economically advantageous scenario for the Council. Such disposal to be made without the need for auction or the invitation of tenders or expressions of interest following appropriate public advertisement.**
- (6) To note progress on the acquisition of third party land interests at the NSQ and the intention to appoint specialist advisors to prepare the case for a CPO. The decision to make the CPO, should one be needed, will be the subject of a separate report to Cabinet.**

Reasons for recommendations:

- 1. To progress delivery of the strategically significant North Street Quarter (NSQ) development in Lewes. The NSQ is a £180m mixed use brownfield site that will deliver the following regeneration benefits to the area:**
 - 416 new homes, of which 40% will be affordable,**
 - 140,000 sq. ft. of new commercial space, including subsidised creative workspace**
 - 475 full time jobs,**
 - 100 full time construction jobs,**
 - a new modern health centre serving in excess of 26,000 patients,**
 - strategically important flood defences, completing the defence of Lewes,**
 - a new riverside promenade, new footbridge, extensive new cycle paths and footpaths, and**
 - a public square hosting contemporary eateries and riverside dining.**
- 2. To ensure that the Council maximises return on its investment into the NSQ scheme, while at the same time minimising any risks involved in delivery and potential financing.**

Contact Officer(s):

Name: Bev Lucas
Post title: Regeneration Specialist
E-mail: beverley.lucas@lewes-eastbourne.gov.uk
Telephone number: 01273 085233

1.0 Introduction

1.1 The North Street Quarter (NSQ) landowners continue to negotiate the final outstanding legal points in the draft Land Collaboration Agreement (LCA). The LCA will set out the framework within which the two parties will work together to deliver the three phases of the NSQ development. It includes governance arrangements, the duties and mutual obligations of the landowners and a

framework for agreeing such matters as disposals, sales proceeds and equalisation.

- 1.2 At its meeting on 27th September 2017, Cabinet approved an option to appoint Artisan as development partner for Phase 1 of the NSQ scheme, subject to due diligence. If Artisan were not appointed, then the landowners would go to the market to secure a developer for all three phases. It has been confirmed that Artisan no longer wishes to be considered for the role of Phase 1 developer. Artisan has recently secured a large mixed use scheme in another UK city and this, coupled with pressing commitments on their other active development projects, has meant that they no longer feel that they have sufficient resources to be able to fully pursue their interest in Phase 1 of the NSQ. Once the LCA has been agreed therefore, the NSQ landowners will go to the market to secure a developer for the scheme this year.
- 1.3 This report seeks delegated authority for the Council to acquire the Health Hub and Car Park from the North Street Quarter scheme, subject to a satisfactory business case and agreed purchase price in each case. It requests approval, and budget, for the design and development of a temporary car park at the NSQ, and authority to progress applications for the amendments to Traffic Regulation Orders needed to deliver the scheme. Authority is also sought for the disposal of Council assets in lieu of a proportion of any cash compensation payment to secure third party land interests at the NSQ site.
- 1.4 The report also provides Cabinet with an update on the Land Collaboration Agreement being negotiated by the two landowners, and other work relating to the NSQ scheme.
- 1.5 The recommendations contained in this report have been tabled at a meeting of the North Street Quarter Members' Oversight Board.

2.0 Proposal

Purchase of assets from the NSQ scheme – Health Hub and Car Park

- 2.1 At its meeting of 26th June 2017, Cabinet delegated authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive, Leader of the Council and Cabinet Member for Finance, to identify the income generating assets that the Council would wish to secure from the NSQ scheme. The Council subsequently identified that, pending approval from Cabinet, it wished to consider taking ownership of the Health Hub and Car Park.
- 2.2 The Council is currently working with its financial and commercial advisors, GVA consultants, to develop the business case for the purchase of the Health Hub and Car Park and to negotiate purchase prices with NSQ Ltd. An independent valuation of the Health Hub was commissioned by the Council to inform this work. Key parameters, including values, anticipated rents and yields in respect of each asset, are contained in the purchase briefing by GVA consultants (attached as Appendix 1). Subject to a satisfactory business case in respect of each asset and agreeing purchase prices, Cabinet is requested to delegate authority for the Council to secure one or both of these assets from the NSQ scheme. The acquisition of the Health Hub and car park is to be on terms commensurate with those identified in Appendix 1 and that meet the

expectations set out in the Council's Property Acquisition and Investment Strategy. In respect of the Health Hub, the Council will not agree the purchase until it has entered into an Agreement for Lease with each of the prospective occupiers identified in Appendix 1.

- 2.3 The purchase of the Health Hub and Car Park would be separate valued transactions outside of the equalisation and final distribution of proceeds from the scheme. Their acquisition would meet the Council's objective of securing an ongoing revenue stream from the NSQ scheme, and delivering medium to long term investment returns to support the financial resilience and independence of the authority. In the case of the Health Hub, it will also ensure that an integrated model of health and social care services is delivered within the new facility. There will be a cost to the Council associated with the contract to manage the Health Hub and this will need to be recovered as part of an ongoing service charge.
- 2.4 The Council has worked with the High Weald Lewes Havens Clinical Commissioning Group and prospective tenants of the Health Hub to understand requirements in terms of the new premises. In January 2018, the Council appointed specialist health sector architects to work with the prospective tenants on the detailed design of spaces inside the Hub in order to ensure that its construction meets their stringent requirements. The Council's Regeneration Team was successful in securing £150,000 from the One Public Estate programme for the costs of this work. The designs have now been prepared and the Council is in the process of securing pre-lets for the new facility.

Temporary public car parking during Phase 1 construction

- 2.5 The public car parks on the NSQ site: Spring Gardens and Brook Street, along with the temporary public car park at Corporation Wharf, will close as part of the Phase 1 construction of the NSQ scheme. There is a need to provide alternative public car parking until the new NSQ car park is completed at the end of this phase.
- 2.6 The Council has recently been granted prior approval by the South Downs Park Planning Authority (SDNPA) to demolish buildings that it owns on North Street. The Council will carry out the early demolition of vacant buildings on North Street because of concerns that, due to the presence of asbestos and the poor condition of some of the buildings, they pose a health and safety risk to anyone entering the site. Demolition of these buildings will not constitute implementation of the planning permission granted for the NSQ scheme. Permission has been granted for the demolition of 20 to 25 North Street. Demolition of 20 to 24 North Street will begin as soon as a contractor has been procured. 25 North Street is currently tenanted and will be demolished at a later date.
- 2.7 The Council is currently preparing a planning application to create a temporary public car park on the site of 20 to 25 North Street. It is intended that this car park will be operational by the time the existing public car parks at North Street Quarter site are closed. A total of 220 existing off-street and on-street public parking spaces will be lost during construction of the NSQ scheme. The temporary car park would create 260 public car parking spaces. In 2017/2018, net income from the 130 spaces at the Council's Brook Street and Spring

Gardens public car parks (which will close during Phase 1 construction) was £66,840.

- 2.8 Prior to preparing the planning application, the Council carried out feasibility on a temporary car park at North Street including operating costs and projected annual income. Based on the operating hours of other Council car parks which operate six days a week, excluding bank holidays, and applying a flat fee of £2.50 for up to 8 hours parking, the 260 space temporary car park would provide an estimated net annual income of £123,906 (assuming 75% occupancy). Costs will be incurred in operating the temporary car park including business rates, a management fee payable to East Sussex County Council for parking enforcement, maintenance, cleaning and electrical supplies. It is assumed that the operational cost for the temporary car park will be the same as that for those that it will replace, but that will be kept under review as the project proceeds.
- 2.9 The Council has also secured an independent cost estimate for the construction of the temporary car park which includes a temporary surface treatment, lighting and signage. Cabinet is asked to approve its development, and a budget allocation of £700,000 from the Capital programme for its construction. It should be noted that the Council do not expect to recover the full costs of developing the temporary car park during the life of its operation. The car park will be progressed as soon as a development partner for the NSQ scheme has been appointed and the construction programme, including timings of the closure of existing public car parks at the NSQ site, is available.

Amendments to Traffic Regulation Orders

- 2.10 The NSQ development, which has been granted planning permission by the planning authority (SDNPA), requires amendments to the Traffic Regulations Orders (TROs) in order to implement the permitted scheme. This includes the closure of existing public car parks at the NSQ site and creation of the new NSQ car park in phase 1. Cabinet approval is sought for the Council to prepare and submit applications to amend the existing off-street and on-street TROs, on behalf of the NSQ landowners, as necessary to deliver the NSQ scheme. The cost of preparing and submitting these applications will be a cost to the scheme.

Acquisition of third party land

- 2.11 The Council is in the process of securing outstanding land interests at the NSQ. It has appointed an independent agent to progress acquisition of third party interests. Cabinet is asked to approve the purchase of a key land interest based on the valuation (Red Book) prepared by its independent advisors and contained in Appendix 2. Cabinet is also asked to approve the disposal of Council freehold interests (identified in Appendix 2) in lieu of a proportion of any cash compensation payment.
- 2.12 Work on the design of the new blue light facility at Springman House is progressing well, led by the Council's appointed architects. The architects continue to engage with the end users of the facility (East Sussex Fire and Rescue Service (ESFRS), Sussex Police and South East Coast Ambulance Service) to ensure that it meets their operational requirements. Alongside the design work, work has started on the legal agreements that will see the transfer

ESFRC's existing land at the NSQ site to the Council to enable the delivery of the NSQ scheme.

- 2.13 LDC is continuing discussion with Lewes Town Council in respect of the Town Council land that is included for Phase 3 of the scheme. If the Town Council land cannot be secured, the landowners will seek to amend the outline permission to exclude this area from Phase 3 of the development.
- 2.14 NSQ Ltd. has advised that the new premises for John Gosnell and Company, who currently occupy a site at the NSQ, will be ready for occupation by September 2018.

Compulsory Purchase

- 2.15 Compulsory purchase is a measure of last resort and may only be exercised where there is a compelling case in the public interest. Before making a compulsory purchase order (CPO), the Council must demonstrate that it has taken reasonable steps to acquire all of the land and rights included in the Order by agreement. At its meeting of 30th September 2013, Cabinet agreed to consider the use of the Council's CPO powers in the event that this is necessary to achieve land assembly at the NSQ. This may take the form of buying out leases on sites where LDC owns the freehold, buying sites within the development area that do not belong to one of the partners, or clearing title on land. The Council will appoint specialist advisors to prepare its case for CPO. The decision to make the CPO would be the subject of a separate report to Cabinet.

Marketing the scheme

- 2.16 Alongside work on the LCA, the substantial 'package' of information needed for the marketing exercise is currently being prepared by the NSQ landowners. The agreed Heads of Terms of the LCA state that: *The appointment of a development partner shall be agreed between the parties by way of a procurement scoring system.* The Council and NSQ Ltd have agreed an evaluation framework upon which to assess proposals.

Planning conditions

- 2.17 The consultant team appointed by NSQ Ltd. has prepared and submitted applications to the planning authority (SDNPA) for the discharge of the Phase 1 pre-commencement planning conditions. It is anticipated that the applications will be discharged by September 2018. During the course of preparing the applications for discharge, the views of local residents and community groups have been represented through the North Street Quarter Sounding Board, Landscape & Play Working Group and Design Working Group.

3.0 Outcome expected and performance management

- 3.1 The NSQ landowners continue to work towards delivery of the scheme. The scheme will realise the outcomes set out in the 'Reasons for Recommendations' above. Performance of the NSQ project is monitored via the Council's corporate project monitoring programme, with additional oversight carried out by a dedicated NSQ Members Board.

4.0 Consultation

4.1 Public consultation has taken place during the planning application stages of the North Street Quarter scheme, and at subsequent points during its detailed development, for example the public events that took place in 2017 to gather views on the proposed improvements to the Pells and Mallings Recreation areas. The views of local residents and community groups have been also represented through the North Street Quarter Sounding Board, Landscape & Play Working Group and Design Working Group.

5.0 Corporate plan and council policies

5.1 Policy SP3 of the Lewes District Local Plan: Part 1 Joint Core Strategy 2010-2030 calls for the comprehensive regeneration of the North Street site (an important gateway to the town). The NSQ site is a strategic allocation in the Council's Joint Core Strategy and constitutes a significant proportion of its housing target.

6.0 Business case and alternative option(s) considered

6.1 At its meeting of 7th January 2016, Cabinet approved Heads of Terms of the Land Collaboration (joint venture) Agreement with the NSQ majority landowner (NSQ Ltd.). Cabinet also authorised officers to negotiate and execute the agreement. A full business case for the NSQ scheme has been drafted and will form part of the Land Collaboration Agreement between the two landowners.

7 Financial appraisal

7.1 The financial implications of the purchase of the Heath Hub and Car Park are explained in Appendix 1. The purchase will be subject to a satisfactory business case which demonstrates that a long-term, sustainable net income stream will be generated to support the Council's overall General Fund budget position, after allowing for the annual costs which will be associated directly with these facilities as well as the cost of servicing and repaying the borrowing which will be required to fund the acquisition.

The recurring financial implications of the temporary car park are explained in paragraph 2.8. It is proposed to finance the cost of constructing the car park and bringing it into use from capital receipts which will use the balance of monies remaining following completion of the sale of land at the rear of Lewes House in May 2015.

8 Legal implications

8.1 Advice has been given in earlier reports relating to the North Street Quarter. The recommendations in this report cover new legal issues:

a) Purchase of Health Hub and Car Park from the North Street Quarter scheme (recommendation (1))

- Officers will carry out appropriate due diligence to ensure that the Council secures a marketable legal title to the land.

b) Disposal of Council property assets (recommendation (5))

- The Council cannot dispose of land held in the general fund for a consideration less than the best that can be reasonably obtained in the market, except with the consent of the Secretary of State. Disposal includes freehold and leasehold sales. An independent valuation will be sought to ensure that best consideration is being secured.
- When disposing of any land or interest in land the Council must ensure that it does so in accordance with State aid rules. The European Commission's Communication on the Sale of Land sets out an automatic assumption that no State aid is present in a sale of land and buildings provided its terms are followed. This includes the sale of land for "market value" through an expert valuation. An independent valuation will be sought to ensure that market value is being secured.
- The Council's CPRs say that no sale of land where the value exceeds £50,000 or £25,000 if amenity land shall be made except after auction or the invitation of tenders or expressions of interest following appropriate public advertisement, unless authorised by Cabinet. Recommendation (5) provides for disposal without the need for auction or the invitation of tenders or expressions of interest following appropriate public advertisement.

8.2 The September 2013 resolution of Cabinet authorised preparatory work for the use of the Council's CPO powers. This report asks Cabinet to note progress to date and confirms that the decision to make the CPO, should one be needed, will be subject to a separate report to Cabinet.

19 June 2018 Ref: 007422-LDC-MR

9 Risk management implications

9.1 Acquisition of the Health Hub and Car Park would serve to diversify the Council's investment property portfolio and will help to mitigate the risk of occupational void periods, and default on rent payment, by securing long-term leases from tenants with a strong covenant.

Purchase of these assets from the scheme will be subject to ongoing advice from the Council's financial and commercial advisors. It will be dependent on a clear business case, which is in line with the Council's corporate investment strategy, and securing Agreements to Lease with prospective tenants. There is a risk that the Health Hub, under third party ownership, would fail to deliver the model of community health and social care anticipated. Council ownership, and the Council's ongoing work with local providers, will reduce this risk.

The closure of public car parks and loss of 220 public car parking spaces during Phase 1 construction poses a risk to the local economy. The development of temporary public car parking during this phase will mitigate this risk.

The Council is working with partners to deliver this complex development. Officers continue to engage with the Council's legal, commercial and financial advisors to minimise the risks to the Council at this stage of the project. The LCA will establish the terms on which the Council will proceed.

10 Equality analysis

- 10.1 An Equality and Fairness Analysis for the scheme was undertaken in April 2014. This was updated in September 2017. Since this time, there have been no changes to the scheme and so no further analysis is required. A copy of the analysis is available on request from report author.

11 Appendices

- **Exempt** Appendix 1 – Purchase briefing by GVA consultants
- **Exempt** Appendix 2 – Proposed purchase of third party land interest and disposal of Council assets

The appendices to this report contain exempt information as defined in Schedule 12A of the Local Government Act 1972.

Appendices 1 and 2 – contain commercially sensitive Information relating to the business affairs of the Council.

The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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Report to: Cabinet

Date: 2 July 2018

Title: Regeneration at Avis Way, Newhaven

Report of: Tim Whelan, Director of Service Delivery
Ian Fitzpatrick, Director of Regeneration and Planning

Cabinet member: Cllr Paul Franklin, Waste and Recycling
Cllr Bill Giles, Finance

Ward(s): Newhaven Valley, Newhaven Denton and Meeching

Purpose of report: To see approval to procure and construct a new waste depot and vehicle servicing facility at Avis Way, Newhaven.

Decision type: Key Decision

Officer recommendation(s): (1) That Cabinet delegates authority to the Director of Regeneration and Planning, in conjunction with the Director of Service Delivery to develop new premises for the Waste & Recycling Depot in Newhaven in accordance with the detail contained within this report.

(2) That Cabinet allocates the sum of up to £4.1m within the Capital Programme for delivery of the new depot facility.

(3) To delegate authority to the Director of Regeneration and Planning in consultation with the Director of Service Delivery, the Portfolio Holder for Finance, the Chief Finance Officer, and the Assistant Director – Legal and Democratic Services, to progress the project through the Clear Futures Energy & Sustainability Joint Venture if they consider it appropriate and at an appropriate future stage to decide the project should be put forward to the JV Steering Board for inclusion as a Part 1 and/or Part 2 project.

Reasons for recommendations: (1) To enable the provision of a new waste depot and vehicle servicing facility in Newhaven to replace a life-expired asset.

Contact Officer(s): Name: Bee Lewis
Post title: Head of Property and Facilities
E-mail: bee.lewis@lewes-eastbourne.gov.uk
Telephone number: 01323 415521

1 Introduction

- 1.1 The Council owns the freehold of a site in Newhaven known as Robinson Road Depot (see Appendix A). The depot is too small to meet the needs of the service, and it has reached the end of its useful life and will require significant investment to meet health & safety and business requirements as set out below:
- a) Security at the existing depot is an issue. The site is vulnerable to break-in and difficult to secure. There have been a number of attempts to break-in to the site in recent years.
 - b) The current configuration means that there are conflicting vehicle movements and it is difficult to separate pedestrians from vehicles, which leads to increased risk of accidents. While this is mitigated by Risk Assessments and Safe Systems of Work, it is not an optimal solution as it impacts operations.
 - c) The welfare facilities are poor and if the depot remains at Robinson Road, would need to be completely refurbished. There is no separation between 'clean' and 'dirty' work and rest areas. Additionally, the shower facilities are not optimal for the type of work and number of staff who operate out of the building.
 - d) The building condition is poor and virtually life-expired in parts. There are also asbestos containing materials present in the building fabric, which are being managed and inspected in accordance with recommendations.
 - e) There are ongoing problems with the electricity supply and the existing facility needs to be completely rewired.
 - f) It would not be possible to rebuild on the existing site as it would be impossible to continue to operate the service while construction was taking place.
 - g) There is poor access for emergency vehicles onto and around the site.
- 1.2 The depot requires significant investment to resolve the issues outlined above and even with that investment, it would not be possible to resolve the site constraints given the operational requirements.

2 Proposal

- 2.1 The Council owns land at Avis Way Industrial Estate, Newhaven, part of which is currently leased (see Appendix B). This land would be a suitable location for the new depot facility. There are two adjacent plots of land on the industrial estate, known as 9a (leased) and 10 Avis Way (vacant).
- 2.2 In 2015/2016, the Council instructed two feasibility studies to determine the most cost effective and efficient layout for the site at Avis Way. The studies looked at options for a depot, transfer station, vehicle workshop and small picking station. As a result, Cabinet approved the sum of £3,500,000 to deliver the new depot at

Avis Way.

- 2.3 The project was stopped after the results of the site investigation showed that the ground conditions were so poor, that remedial works would double the cost of the project. However, the costs were based on the assumption that the Avis Way site would also house a Waste Transfer Station and the ground would need to be rated to enable 44-ton lorries regular access.
- 2.4 A recent study undertaken by Clear Sustainable Futures (CSF) shows that the Avis Way site can be made functional as a depot and maintenance facility with a much reduced cost for ground stabilisation. A new planning application would be required as the scheme has changed from the original concept (See Appendix C).
- 2.5 Plot 9a was leased to Truck Services of Sussex Ltd and the tenant remains in occupation. The passing rent payable to the Council is £26,000 pa. Negotiations with the leaseholder have proved to be successful and there is agreement for the business to relocate to 19-21 Cradle Hill, Seaford which is also a unit owned by the Council.
- 2.6 Plot 10 is currently vacant, but has previously been rented out at £35,000 per annum.
- 2.7 Moving the depot from its current location at Robinson Road would mean that the land becomes vacant. It is proposed that officers investigate potential options for future use of the land to include commercial, residential, or a mixed use scheme which will be the subject of a future Cabinet report and regeneration ambitions for Newhaven.

3 Outcome expected and performance management

- 3.1 Moving the depot to Avis Way would enable opportunities for the service to expand and to explore new revenue streams. Additionally, there are likely to be running costs savings for a new facility compared to the existing.

4 Consultation

- 4.1 Consultation will take place as part of the planning process. There will also be consultation with affected staff.

5 Corporate plan and council policies

- 5.1 The recommendations in this report support the Council's objectives set out in the Council Plan 2016-2020 under the heading of Quality Environment (Clean and Green District).

6 Business case and alternative option(s) considered

- 6.1 Land in Newhaven is at a premium and the Council does not own any other suitable land holdings where the depot could be relocated. The only other possible option would be to do nothing and for the depot to remain at Robinson

Road, however this is not a viable option for the reasons set out in para 1.1.

7 Financial appraisal

- 7.1 By developing the Avis Way site for LDC use, there will be a loss of revenue of £61,000 per annum, however the new building is likely to deliver running cost savings compared to the existing facility and also the opportunity to develop and grow new revenue streams.
- 7.2 CSF have identified that the project costs, including stabilisation works and professional fees would be estimated at £4,100,000. It is therefore recommended that Cabinet allocates the sum of up to £4.1m within the Capital Programme for delivery of the new depot facility.
- 7.3 A full valuation will be completed in relation to the site at Robinson Road and the opportunities that arise.

8 Legal implications

- 8.1 A Report on Title will be commissioned to ensure that the site is not subject to any title matters which would restrict development.
- 8.2 Legal advice will be taken to ensure that vacant possession of the leased area is obtained.
- 8.3 The construction work and any other necessary contracts to facilitate the development of the site will need to be awarded in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules with the particular process depending on the nature and value of each contract.
- 8.4 The Council's procurement and delivery framework, Clear Sustainable Futures, was developed by Lewes and Eastbourne Councils in a contractual joint arrangement with Robertson Capital Projects Ltd and AECOM Ltd, with a focus on innovative, sustainable development. CSF was procured in compliance with the Contract Procedure Rules and so, if the development of the site is undertaken through CSF, the framework can be used in accordance with its terms without the need for a further competitive process.
- 8.5 All transactions will be on market terms and so no issue of State Aid will arise.

15 June 2018 7449-LDC-KS

9 Risk management implications

- 9.1 The project manager will develop a risk management matrix and identify actions to mitigate risk. Any remaining risks will be reported through regular project management updates.

10 Equality analysis

- 10.1 The initial assessment indicates that there will be only either positive, or neutral impacts upon equalities.

11 Appendices

- Appendix A – Site Plan of Robinson Rd Depot
- Appendix B – Site Plan of Avis Way
- Appendix C – Technical Report

12 Background papers

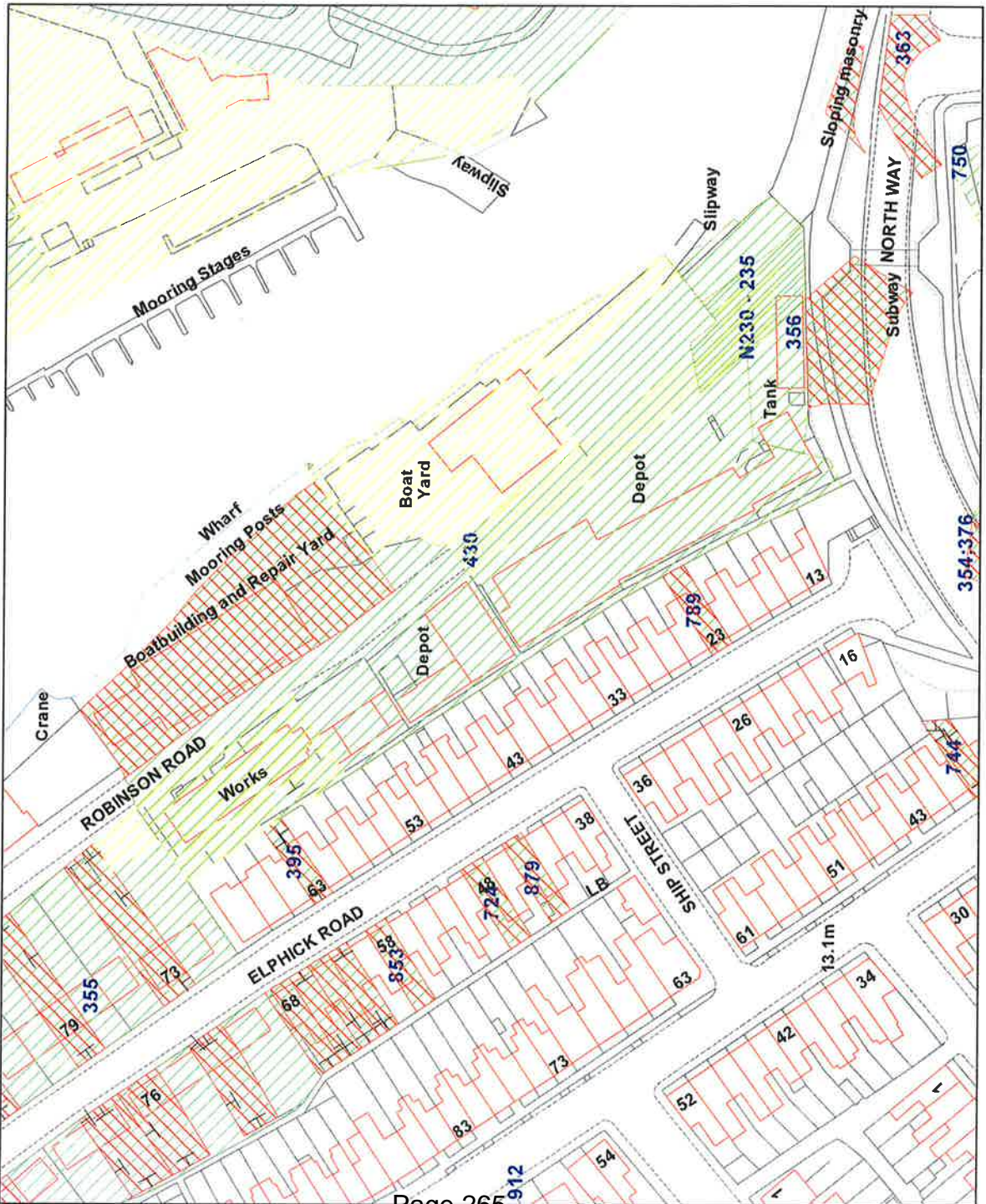
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Appendix A

Robinson Road Depot



Legend

Scale : 1:1250

Organisation	LDC
Department	Property & Facilities Shared Service
Comments	Retained Area (Green) Leased Area
Date	10 June 2018
SLA Number	

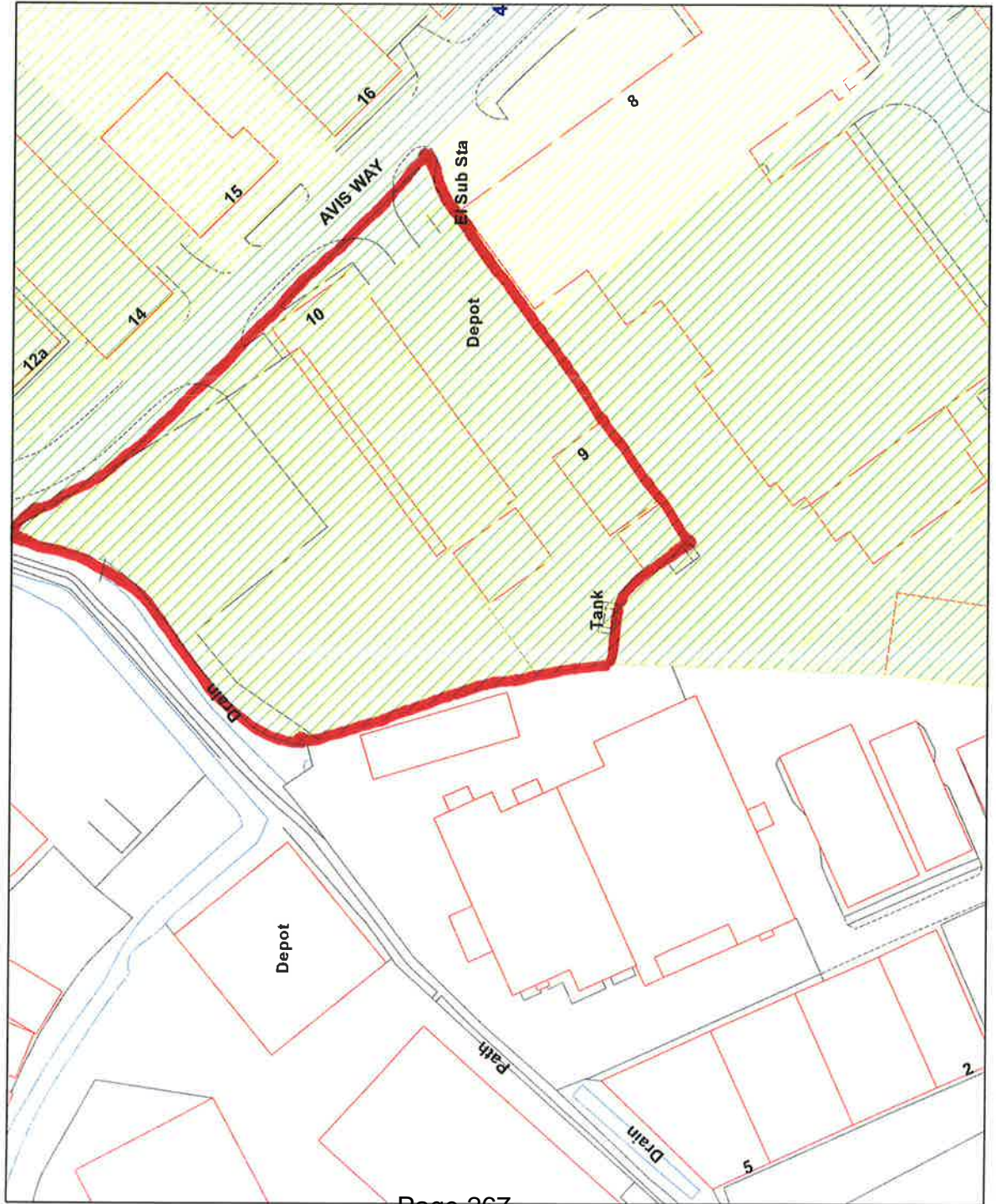
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GIS by ESRI (UK)

Appendix B

9 & 10 Avis Way



Legend

Scale : 1:1250

Organisation	LDC
Department	Property & Facilities Shared Service
Comments	Retained Area (Green) Leased Area
Date	10 June 2018
SLA Number	

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EL18SPS002

Avis Way Technical Review

Executive Summary

On the 22nd February 2018 CLEAR Sustainable Futures was contracted under Strategic Support Partnering Services to review the feasibility of relocating the Lewes District Council waste fleet depot and maintenance facility from its current location on Robinson Road to a plot on Avis Way. CSF have contracted AECOM to complete this review.

AECOM have been supplied with all of the records that LDC hold for a 2016 procurement exercise that proved un-economic due the expected cost of the ground strengthening work, this included a GI report, a FRA and 3 off contractors quotes and associated designs.

The attached report shows that the site can be made functional as a depot and maintenance facility with a much reduced cost for ground stabilisation for the parking areas and building foundation. The location of the building is on the north eastern corner of the plot of land which is the best suited location for founding and as such the site design has changed from the existant planning permission there would therefore be the need for a new planning application.

AECOM estimate that the cost of stabilisation would be circa £593,000, and by updating the 2016 estimates with the appropriate construction cost increases the they estimate that the construction cost, less professional fees, for the depot and maintenance depot would be in the range £2.3m - £3.5m. This equates to an approximate project budget in the range £2.7m - £4.1m. The detail evaluation is documented in the attached AECOM Technical Note.

If the above project budget is considered by LDC to be affordable, then sufficient information exists to draft a CLEAR Futures NPR and start the process of engaging with the CF supply chain.

Sam Mackilligin

12th April 2018

Technical Note

Project Title Avis Way	Job No. 60567662	Date 7 th April 2018	
Client Lewes District Council	Made by James Scott	Checker David Lee	Project Manager Martin Dunn

Avis Way –Maintenance Depot Design Proposal

Overview

AECOM has been asked by Lewes District Council (LDC) to review the 2016 proposal to relocate the Waste Vehicle Maintenance Depot in Newhaven and the Recycling Centre in Lewes to a new single location in Newhaven. It was concluded that the 2016 proposal to relocate the depot and recycling centre would not be economically viable due to the extent of the civil works required to improve poor ground conditions present across the proposed new site.

AECOM looked to further develop the currently proposals, with the ultimate goal being to reduce the overall construction costs, by reducing the ground improvement/stabilisation costs. To complete these works, AECOM undertook a review of existing information held by LDC to produce this Technical Note.

Information Reviewed

The information reviewed to produce this report is as follows:

- Drawing 4436-MBA-0-GF-DR-A-101-SO rev C;
- Drawing AD31 rev D Vehicle Workshops Building;
- H18800 – FRA2 Waste Transfer Station 10 Avis Way Newhaven BN9 0DH – Flood Risk Assessment;
- Kier – Newhaven Depot Submission;
- Morgan Sindall – Newhaven Depot Submission;
- Sunninghill – Newhaven Depot Submission;
- LW26383 Report LCH – Geotech and Ground Contamination Report – Feb 2016.

Deliverables

For this technical note AECOM delivered the following:

- Revised Site Layout Drawing;
- Updated ground stabilisation/improvement proposals;
- Risk Register, and;
- High-Level Cost Plan.

Revised Site Layout

The first step undertaken by AECOM was to update the current layout, as shown on drawing 4436-MBA-0-GF-DR-A-101-SO rev C, in line with LDC's revised requirements for the site. The revised layout is included in Appendix A and includes the following.

- Removal of the proposed recycling centre and associated works.

- One new vehicle workshop and operational depot.
- Seven daytime parking spaces for HGV's.
- Twelve overnight parking bays for HGV's.
- Four additional HGV parking spaces including a refuelling bay.
- Drive through vehicle washdown area.
- Thirteen spaces for LGV's.
- Fourteen car parking spaces including five disabled spaces and three EV charging points.
- Twenty cycle shelter spaces.
- Two works storage areas.

The new workshop has been positioned in the eastern corner of the site along with an additional pedestrian entrance for cyclists and foot traffic. The additional pedestrian access allows the larger HGVs and LGVs to be kept away from potential foot traffic and smaller vehicles such as cars and bikes. The larger HGV spaces are located near to the entrance and exit of the site. This allows the area of the site that required ground improvement / stabilisation to be minimised. Some smaller / lighter vehicle parking spaces are located at the northern end of the site as it is anticipated that this area may have poorer ground conditions compared to the southern end of the site.

By keeping the new site relatively close together and utilising possibly better ground to the east, the majority of the western side of the site has been avoided. This area is approximately 2,050m² which equates to around 37% of the total site. This area could potentially be used for landscaping purposes and or any other soft engineering purposes such as a sustainable drainage system and flood prevention measures. Space could also be kept for any future developed.

Updated Ground Stabilisation/ Improvement Proposals

The dynamic probe that Ashdown used for the Combined Geotechnical and Ground Contamination Risk Assessment report carried out in February 2016 is too heavy to get an accurate representation of the ground conditions. The probe is penetrating through the soft layers at the surface and providing little information as it does so. Furthermore, from the information provided it is unknown whether the site levels are changing and as such a detailed topographical survey would be required to help with the ground stabilisation proposals as well as applying the data provided in the flood assessment.

However, if the finished surface levels, after the development of the site, were to remain substantially the same, within 300mm of current ground levels, and further ground investigation, such as Dynamic Cone Penetrometer testing, was carried out across the full site, then essentially the following ground rational could be applied.

Geotechnical

The northwestern half of the site is covered in made ground varying in thickness from 0.7m to 1.0m, excluding the bund at the north edge of the site. This artificial "crust" should be trimmed and compacted to permit the new pavement construction to be constructed onto this. The finished design levels should be selected to avoid breaking through this crust. The pavement makeup should incorporate a 250mm thick capping layer of Class 6F4 or 6F5 selected well graded granular fill material.

The remaining southeastern half of the site appears to have no extensive crust of made ground, although some concrete slab cover is recorded in places which has been directly constructed onto the organic alluvial clay subgrade. In places, the clay subgrade is described as soft at the surface or becomes soft at depths of about 1m to 1.5m below the existing ground level at the time of the ground investigation (GI). This very weak subgrade will require the construction of a strong, flexible improvement layer in order to permit the pavement to be constructed and to perform without excessive deflection in service. Due to the organic content found during the initial ground investigation modifications of the ground utilising lime and cement is not feasible. Therefore, for the new workshop structure, it is anticipated it will need to be piled, and a detailed piling design carried out.

For the remaining area that will be used for HGV's and LGV's, the improvement works to the ground could be as follows. An improvement layer (subbase) could be formed by the excavation of the soft clay and the backfill of Class 6F4 or 6F5 material, taking cognisance of the high moisture content and shallow depth to groundwater reported in the GI. An alternative method could be the use of geocells in the subbase layer which could subsequently be filled with mechanical fill such as 6F2 or 1A.

If there is a requirement to build up the levels, then the recommended approach is to install the fill early and leave it for some time to allow for the early settlement. As the subgrade is so weak and the intention is to construct a rigid pavement, then it is anticipated that the improvement layer will need to be about 1m thick below the sub-formation level of the pavement design.

Pavement Construction

Taking into account that further investigation work is required before the pavement can be designed an indicative road make up on top of the subbase layer could be as follows. A layer of Cement Bound Granular Mixtures (CBGM) between 150-200mm followed by a reinforced concrete slab between 200-250mm. This makeup would only be used in areas where there would be increased traffic from larger vehicles such as HGV's. Other areas of the site could use a leaner design, however, as mentioned this would require further investigation works.

Risk Register

A high-level Risk Register is shown below in Appendix B.

Ground Improvement Costs

AECOM's high-level cost plan is shown below in Appendix D. The estimated ground remediation work is included in the substructure item in the cost plan. The substructure item has been expanded and is shown in Appendix C below. AECOM estimate that these works could cost between £480k and £718k. However, further investigation works, detailed design, and site requirements are needed.

To get to these figures, the following has been assumed:

- Demolition and removal of any existing structure have been included in the abnormalities item in the AECOM Cost Plan. This includes removal of any hazardous waste and concrete hard standings.
- Relevant rates have been taken from SPONS Civil Engineering and Highway Works Price Book, 2018.
- Excavation of material across the site has been estimated to be an average of 1m across the site. This area is estimated to be around 4,900m².
- Following removal of the material, it has been assumed that the ground would require to be consolidated. The exact technique that could be used is unknown, and it is anticipated that stockpiling and surcharging areas for a period could be sufficient. However, to cost the works a Dynamic Compaction method that has been assumed. Despite it being an unlikely technique due to the type of subgrade expected to be encountered.
- Following the consolidation works an engineered geotextile such as a tensor product have been used. The grade of tensor has been assumed to be SS40 Geogrid.
- For the mechanical fill it has been assumed that there will be an average of 0.5m of Class 6F fill across the whole site.
- The pavement construction has been assumed to be made up of a layer of Cement Bound Granular Mixtures or equivalent, then a layer of reinforced structural concrete for the running surface. It has been assumed that these could be 200mm and 260mm thick, respectively. The associated joints, shuttering, and other materials are deemed to be included in the miscellaneous item.
- The new workshop that is proposed to be constructed at the southeastern end of the site has been assumed that it will be piled. The price for these works is an estimate just now as a piling design and details of the building be required would be required.

High-level Cost Plan

To assist LDC to assess the financial viability of the total project, AECOM have carried out a high level analysis of the total project cost. A breakdown of the cost plan can be found in Appendix D, below. From the information provided AECOM estimate that the total construction costs for the Avis Way site could be between £2.7m and £3.3m. To get to this estimated figure AECOM have assumed the following:

Assumptions

- No allowance has been made for any other construction costs and or professional fees for further design.
- Costs Rounded to the nearest £,000.
- Construction costs are based off the comparison between previous cost breakdowns provided by contractors. Each item was taken from each contractors cost plan and averaged.
- By using the costs provided by the contractors, it has been assumed that the level of specification from the original design has been kept the same.
- The cost of the construction of the recycling centre has been removed. From this it has been assumed that a 35% reduction would be applied to average of all other civil costs. Not included in this calculation is the recycling sorter and weighbridge, as these item are not applicable in the calculation.
- Changes in construction costs have been index linked using The Building Cost Information Service.
- The cost of the ground improvement works is included in the substructure costs. Further, GI is required to determine the cost of the works accurately.
- Abnormals are assumed to include demolition and removal of existing structures, and removal of contaminated waste.

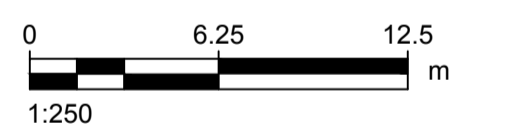


Appendix A - Drawing

LEGEND

	INDICATIVE SITE BOUNDARY
	PLANTING AREA
	FENCE
	PLANTING/FLOOD PREVENTION AREA

- NOTES**
- DRAWING IS FOR INDICATIVE PURPOSES ONLY.
 - DIMENSION OF WORKSHOP ARE UNCHANGED FROM ORIGINAL DESIGN.
 - ALL DIMENSION AND LOCATION OF COMPONENTS ARE INDICATIVE.
 - SPACE ARE DESIGNED FOR 12m x 2.5m 23t RIGID VEHICLE.
 - DRAINAGE HAS NOT BEEN CONSIDERED.
 - SITE BOUNDARY TO BE CONFIRMED.



APPROVED FOR ISSUE

2	AD	JWGS	DL
1	AW	JWGS	DL
I/R	DRAWN BY	CHECKED	APPROVED

ISSUE/REVISION

2	2018.04.10	FOR REVIEW	
1	2018.03.29	FOR DISCUSSION	
I/R	DATE	DESCRIPTION	

PROJECT NUMBER

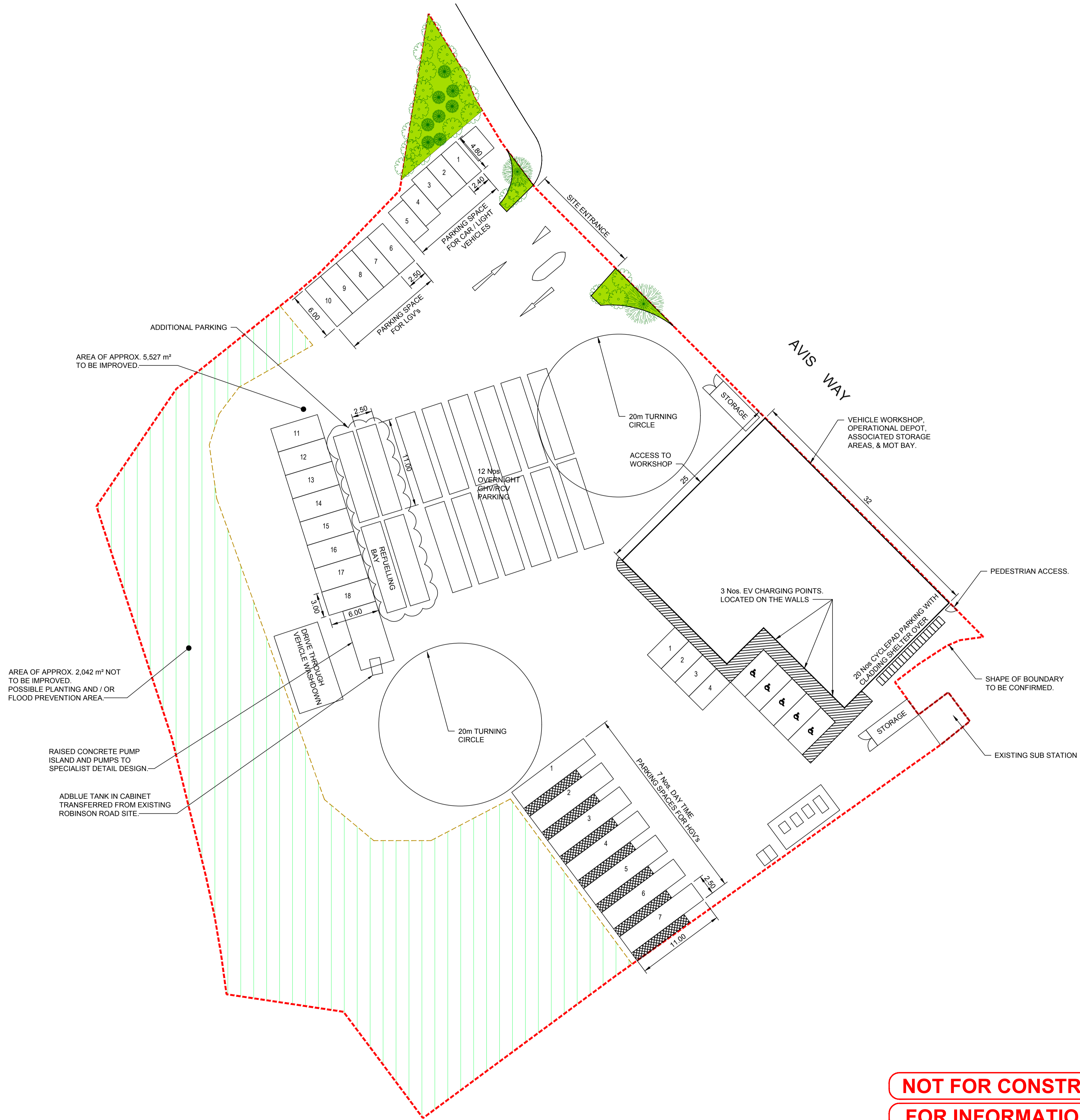
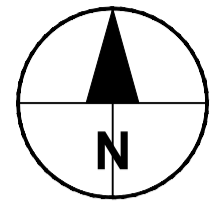
60567662

SHEET TITLE

AVIS WAY
 SITE LAYOUT - GENERAL
 ARRANGEMENT LAYOUT

SHEET NUMBER

60567662-SKE-10-0000-C-0001



Project Management Initials: Designer: AW Checked: JWGS Approved: DL
 Page 275
 Last saved by: ARMANDO DELIMA(2018-04-06) Last Plotted: 2018-04-10
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Appendix B – Risk Register

ID	Risk Owner	Cause	Risk Description	Effect	Raw Score		
					Consequence	Likelihood	Rating
1	Lewes District Council	Requirements for the redesign of the Avis Way depot.	The requirements of the redesign are not clear and or have been miss understood	Delerviables will need to be reviewed by the client.	Major	Possible	Medium (35)
2	Lewes District Council	Accuracy of the drawings and revised layout.	The original model for the original design were not provided by the client.	Inaccurate GA drawings.	Moderate	Likely	Medium (25)
3	Lewes District Council	Ground conditions	The exact ground conditions are currently unknown. Ground investigations have been undertaken. However, they are not detailed enough to provide an accurate picture of the ground condition.	Inaccurate representation of the anticipated works and costs assocaited.	Severe	Unlikely	High (80)
4	Lewes District Council	Survey Work	The exact boundary of the site is unknown and as such the original drawings showing the boundary can not be relied upon.	Incorrect design. Development outwith the landholding.	Severe	Possible	High (70)
5	Lewes District Council	Inaccurate technical note	Information provided by LDS, used to produce the technical note, was inaccurate.	Misrepresentation of the site.	Major	Unlikely	Medium (45)
6	Lewes District Council	Change of site requirements	Requirements of the site change and previous work is irrelevant.	Loss of time and money.	Moderate	Possible	Low (15)
7	Lewes District Council	Construction Costs	AECOM have provided high-level costs based off the inforamtion produce between 2015 and 2016. Costs prejections for the construction could be different.	Misrepresentation of the construction costs.	Severe	Unlikely	High (80)
8	Lewes District Council	Total Project Costs	AECOM have only provided costs for the construction part of the project. Other project costs are unknown and should be considered and updated for 2018.	Misrepresentation of the total project cost. Loss of time.	Severe	Possible	High (70)



Appendix C – High-level Breakdown of Ground Improvement Works

AECOM Estimated Ground Improvement Costs

Input from Geotechnical and Transport Team

Substructure Item Expanded

Scheme Element	Type Rate	Est Quant	Unit	Estimated Cost	Notes
Size Size est.		7600	m2		
Total ground Improvement Area est.		5500	m2		
Building Foot Print est.		720	m2		
Ground improvement area - Pavement est.		4780	m2		
Ground Works					
Removal of material down to est. formation level	est.	4780	m3	£ 60,000.00	around 1 m removal assumed. Est. unkown how far nearest tip is and or local haulage rates
Ground improvement works - Setup	36134.98	1	nr	£ 36,134.98	Site set up mobilising, demobilising and testing. SPONS Page 204.
Ground improvement works - Treatment	17.02	4780	m2	£ 81,355.60	Total treatment cost used/ m2. SPONS Page 204.
Ground improvement works - Geotextile	10.13	4780	m2	£ 48,421.40	Tensar SS40 Geogrid. SPONS Page 447.
Ground improvement - Mechanical Fill	41.56	2390	m3	£ 99,328.40	0.5 m fill.Class 6F. SPONS Page 445.
Miscellaneous	5000	1	nr	£ 5,000.00	est.
Pavement Construction					
Pavement Construction - CBGM or equiv.	54.89	956	m3	£ 52,474.84	200mm Wet Mix DfT Series 900, SPONS Page 458.
Pavement Construction - C30 Concrete	35.08	1242.8	m2	£ 43,597.42	260mm C30. SPONS Page 460.
Pavement Construction - Reinforcement	13.59	4780	m2	£ 64,960.20	Fabric Reinforcement B503. SPONS Page 460
Miscellaneous	30000	1	nr	£ 30,000.00	est.
Piling					
Piling Foundations for Building	60000	1	nr	£ 60,000.00	Est. No design.
Strip Foundations	10000	1	nr	£ 10,000.00	Est. No design.
Miscellaneous	2000	1	nr	£ 2,000.00	est.

Total £ 593,272.84

Total £ 593,000.00 rounded

Assumptions

Area that requires ground improving has been assumed to be around 4,780m2.

Cost of removal of material has been estimated as local suitable landfill in unknown.

No allowance has been made for flooding and or groundwater in excavations.

Rates Taken from SPONS 2018 CH

Demolition and removal of existing structures has already been accounted for. Including any contaminated waste.

The only works that have been priced are the ground improvement works



Appendix D – High-level cost plan

Avis Way - Cost Estimate Construction

Scheme Element	Type Rate	Min Estimated Rate	Max Estimated Rate	Est Quant	Min Estimated Quantity	Max Estimated Quantity	Unit	Estimated Cost	Estimated Min Cost	Estimated Max Cost
Prelims										
Pre-construction	£ 44,000	£ 39,600	£ 48,400	1.0	0.9	1.1	Nr	£ 44,000	£ 35,640	£ 53,240
Construction	£ 185,000	£ 166,500	£ 203,500	1.0	0.9	1.1	Nr	£ 185,000	£ 149,850	£ 223,850
Site Prelims	£ 115,000	£ 103,500	£ 126,500	1.0	0.9	1.1	Nr	£ 115,000	£ 93,150	£ 139,150
MSPLC Design Contingency	£ 39,000	£ 35,100	£ 42,900	1.0	0.9	1.1	Nr	£ 39,000	£ 31,590	£ 47,190
Contingencies	£ 146,000	£ 131,400	£ 160,600	1.0	0.9	1.1	Nr	£ 146,000	£ 118,260	£ 176,660
Sub Total	£ 529,000							£ 529,000	£ 428,490	£ 640,090
Fees	£ 224,000	£ 201,600	£ 246,400	1.0	0.9	1.1	Nr	£ 224,000	£ 181,440	£ 271,040
Surveys/ Planning	£ 42,000	£ 37,800	£ 46,200	1.0	0.9	1.1	Nr	£ 42,000	£ 34,020	£ 50,820
Substructure	£ 593,000	£ 442,800	£ 541,200	1.0	0.9	1.1	Nr	£ 593,000	£ 480,330	£ 717,530
Building	£ 492,000	£ 442,800	£ 541,200	1.0	0.9	1.1	Nr	£ 492,000	£ 398,520	£ 595,320
Internals	£ 75,000	£ 67,500	£ 82,500	1.0	0.9	1.1	Nr	£ 75,000	£ 60,750	£ 90,750
MEP	£ 297,000	£ 267,300	£ 326,700	1.0	0.9	1.1	Nr	£ 297,000	£ 240,570	£ 359,370
Offices	£ 136,000	£ 122,400	£ 151,200	1.0	0.9	1.1	Nr	£ 136,000	£ 110,160	£ 164,560
External Works	£ 774,000	£ 696,600	£ 851,400	1.0	0.9	1.1	Nr	£ 774,000	£ 626,940	£ 936,540
Abnormals	£ 330,000	£ 305,100	£ 372,900	1.0	0.9	1.1	Nr	£ 330,000	£ 274,590	£ 410,190
Statutory Undertakings	£ 50,000							£ 50,000	£ 40,500	£ 60,500
Sub Total	£ 3,551,000							£ 3,551,000	£ 2,876,310	£ 4,296,710
Specialist equipment										
Recycling sorter	£ -	£ -	£ -	1.0	0.9	1.1	Nr	£ -	£ -	£ -
MOT Bay	£ 80,000	£ 72,000	£ 88,000	1.0	0.9	1.1	Nr	£ 80,000	£ 64,800	£ 96,800
Garage equipment	£ 17,000	£ 15,300	£ 18,700	1.0	0.9	1.1	Nr	£ 17,000	£ 13,770	£ 20,570
Weighbridge	£ -	£ -	£ -	1.0	0.9	1.1	Nr	£ -	£ -	£ -
Insurance	£ 22,000	£ 19,800	£ 24,200	1.0	0.9	1.1	Nr	£ 22,000	£ 17,820	£ 26,620
OH&P	£ 112,000	£ 100,800	£ 123,200	1.0	0.9	1.1	Nr	£ 112,000	£ 90,720	£ 135,520
Sub Total	£ 3,782,000							£ 3,782,000	£ 3,063,420	£ 4,576,220
Reduction Cost								£ 2,009,800	£ 1,627,938	£ 2,431,858
Total Cost Estimate								£ 2,889,000	£ 2,339,900	£ 3,494,900

Assumptions

- No allowance has been made for any other construction costs and or professional fees for further design.
- Costs Rounded to the nearest £,000.
- Construction costs based off comparison between previous cost breakdowns provided by contractors.
- Cost of the construction of the recycling centre has been removed.
- The reduction cost is 35% of the sub total, excluding the following items: substructure, MOT Bay, and Garage equipment
- Changes in construction costs have been index linked from using The Building Cost Information Service.
- The index linked cost is of the of the total reduction cost item plus, the substructure, MOT bay, and garage equipment items
- The cost of the ground improvement works are included in the substructure cost. Further GI is required to accurately determine the cost of the works.
- Abnormal assumed to include demolition and removal of existing structures, and removal of contaminated waste

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- Report to:** Cabinet
- Date:** 2 July 2018
- Title:** Regeneration of Newhaven Town Centre
- Report of:** Ian Fitzpatrick, Director of Strategy, Regeneration & Planning
- Cabinet Member:** Cllr Andy Smith, Regeneration and Business
Cllr Bill Giles, Finance
- Ward(s):** Newhaven Valley
- Purpose of report:** To provide an overview of the potential redevelopment of Newhaven town centre, as well as the scheme's role in successfully delivering the aims of the Newhaven Enterprise Zone.
- Decision type:** Key-decision
- Officer recommendations:**
- (1) To note the progress on the business case outlining the investment potential and opportunities within the Newhaven Town Centre area.
 - (2) To approve the allocation of funding of up to £500,000 from the property acquisition and development budget in respect of consultancy, professional fees, and surveys to fund the project up to the letting of the construction contract.
 - (3) To delegate authority to the Director of Regeneration and Planning in consultation with the Director of Service Delivery and the Portfolio Holder for Environmental Impact (and where appropriate the Chief Finance Officer and Assistant Director – Legal and Democratic Services) to progress the project through the Energy & Sustainability Joint Venture if they consider it appropriate and at an appropriate future stage to decide the project should be put forward to the JV Steering Board for inclusion as a Part 1 and/or Part 2 project.
 - (4) Delegate authority to enter into an agreement for lease of the property to the Director of Regeneration and Planning on the basis of the conditions and terms that are no worse than those set out in this report; such delegation to include authorisation not to dispose by auction or invitation of tenders following public advertisement (sought under Contract Procedure Rule

18.1) for those leases.

- (5) To approve the proposal to allow free parking of up to 30 minutes in both Lower Place and Dacre Road multi-storey car parks to support the regeneration strategy for Newhaven and that authority be delegated to the Director of Service Delivery to implement the decision.
- (6) To delegate authority to the Director of Service Delivery to request that East Sussex County Council amends the Traffic Regulation Order and associated on-street and off-street parking places orders to ensure enforcement against nuisance parking, and that parking violations on Denton Island may also be enforced.
- (7) That Cabinet approves the commissioning of a feasibility study to regularise parking at Railway Quay to provide additional parking in advance of the redevelopment of the town centre.

Reasons for recommendations:

- (1) Newhaven has substantial physical capacity for growth, including large brownfield sites in and around the waterfront and the town centre. The town is planning for 28% of all housing growth within the District over the lifetime of the Local Plan (ie. to 2030). Newhaven is also home to 40% of the district's B-Class employment space, and the designation of the Enterprise Zone emphasises the town's central role in delivering sustainable economic growth.
- (2) Newhaven town centre is one of the key redevelopment sites within the town and will be the anchor playing a critical role in delivering new housing, employment space, and other community benefits. The redevelopment of the town centre links closely with delivery of the Newhaven Enterprise Zone that commenced in April 2017 and seeks to address a range of development barriers that are inhibiting effective investment delivery.
- (3) In November 2017, Cabinet approved the allocation of £1.2m from the property acquisition and development budget to develop the proposed scheme in order to submit a planning application. At the same time, Cabinet requested that the Director of Strategy and Planning develop a business case for Cabinet to consider in 2018.
- (4) A well-designed parking scheme is one of the factors that can support a successful high street. The Council wishes to offer limited free parking to improve footfall

and interest in the town centre in advance of the regeneration plans.

- (5) Nuisance parking is having a detrimental effect within Newhaven and this report makes recommendations to regularise enforcement and to improve the parking facilities.

Contact Officer(s)-

Name(s): Bee Lewis
Post Title(s): Head of Property & Facilities
E-mail(s): bee.lewis@lewes-eastbourne.gov.uk
Tel No(s): 01323 415521

Name(s): Peter Sharp
Post Title(s): Head of Regeneration
E-mail(s): Peter.sharp@lewes-eastbourne.gov.uk
Tel No(s): 01273 085044

Information

(1)

Business Case

- 1.1 The designation of 8 key sites in Newhaven as an Enterprise Zone is the next step in ongoing regeneration activities in the town and is a major proposal of regional significance. Having commenced in April 2017, the Enterprise Zone is forecast to create around 55,000m² of new commercial floorspace, refurbish a further 15,000m² of commercial floorspace and create / sustain around 2,000 jobs over the zone's 25-year lifespan.
- 1.2 The Council has been proactively planning for this with the securing of town centre lease in April 2016 and more recently acquiring the Railway Quay site in March 2017. Funding has been secured from Coast to Capital and there is further development at Eastside South with 7,733 sq metres of commercial space underway.
- 1.3 This proposed development would assist with meeting the commitments outlined in para 1.1.
- 1.4 The town centre of Newhaven has experienced decline over a number of years. Whilst the presence of retail provision on the eastern side of the River Ouse has increased, the level of retail activity in the town centre has significantly diminished. In turn, this has led to an increase in the number of vacant units and a decrease in the level of activity and footfall experienced in the area.

- 1.5** In 2016, the Council bought back leases within the Newhaven Square area of the town centre and has commenced works to refurbish one of the blocks, which is now almost fully let. Newhaven Square is a key part of the Council's property portfolio, and includes the former Co-op supermarket, the Seahaven Swim & Fitness Centre and the Dacre Road multi-storey car park, as well as other retail units. The Council's early intervention on securing the headlease of the town centre site, allows for high quality development to be delivered in a timely manner.
- 1.6** The Council has recognised that services which benefit the community are an important element of the town centre regeneration and has completed the refurbishment of accommodation for Citizens Advice Bureau, which will also help to generate footfall.
- 1.7** Newhaven Square covers an area of around 1.22 hectares and comprises a mix of land uses, with the main focus being predominantly retail. However, shopping habits have changed and high streets up and down the country have struggled. For any development scheme to be successful in a high street location, there should be a mix of uses which will attract different types of footfall that will support primary or secondary activities. This approach also considerably de-risks development.
- 1.8** The development proposals are limited to land within the control of Lewes District Council (With the exception of a small area in the mall which we are trying to acquire from The Crown). This is a key factor in the ability to take the scheme forward.

The development proposals are split across three sites (see Appendix A):

- Site 1 - Newhaven Square shopping centre,
 - Site 2 - Seahaven leisure centre
 - Site 3 - Lower Place Car Park Site.
- 1.9** The new scheme will be anchored with a 23,00sqft food store. This will be served by a 200-space car park at the upper levels accessing the main trading floor via lift and travellators. LDC are in discussions with a national food store operator.
- 1.10** 4 new retail units are proposed adjacent to the food store entrance. (circa 4,000sqft). It is anticipated that these will be let to nationally branded retailers and food/coffee operators.
- 1.11** The introduction of the food store anchor will also support and underpin the existing retail units within the shopping centre.
- 1.12** The relocation of the existing leisure facilities releases a prominent ring road site for commercial development. This site has been designed to provide a 69-bedroom hotel with a food and beverage offer. The hotel will be served by 50 no. car spaces accessed from Bridge Street. Heads of Terms have been agreed with a national hotel chain (see Appendix C).

- 1.13** Discussions on the lease terms have progressed to the stage where the hotel operator wish to enter into an Agreement for Lease (AFL). AFLs place certain obligations on both parties, particularly in relation to building out a scheme, complete with a specification and long-stop date. Usually AFLs work on the basis that they become completely unconditional upon the grant of satisfactory planning permission and resolution of legal title issues, following which the landlord (here the Council) is obliged to enter into a building contract and grant a lease on completion of construction. However, the relationship with the operator is mature enough that they are prepared to enter into an AFL which is based upon certain conditions being met:
- o the discharge of the Planning Condition pursuant to the provisions contained in the Schedule and
 - o resolutions of the Landlord's executive which have been made in accordance with the Landlord's local government executive arrangements as defined in Schedule 2 of the Localism Act 2011 authorising both of the following:
 - a) entry into the Building Contract
 - b) grant of the Lease
- 1.14** It is therefore recommended that the Council enters into an AFL in respect of the Newhaven site 2, pursuant to the conditions set out in 1.13 (a) and (b) being met.
- 1.15** The development will form an integral part of a larger Masterplan which will include the other areas marked on Appendix A.
- 1.16** The scheme includes the provision of a new leisure facility on an alternative site - the Lower Place car park (site 3). The scheme proposes a cut and fill exercise to the site to utilise the two-storey change in level across the site. This enables the development to incorporate a lower level leisure facility – ground level car park (High Street/ Library level) and a new 20,000sqft health hub to the upper floor levels. The re-provision of the leisure on an alternative site offers the benefit of providing continuity of use of the pool for the community. The aim is to provide an integrated and holistic approach to health and wellbeing within one location with the operators working closely together
- 1.17** The scheme includes 3,000sqft of community space. LDC are already in discussion with local organisations to occupy the space and enable them to provide support to the local community from a central and easily accessible location
- 1.18** As noted above, the proposals for Newhaven Town Centre will help to redress decades of under-investment and deliver up to 110 new residential units. Given the range of commercial and community facilities also being proposed, it is highly likely that this scheme will indirectly

support delivery of further sites within Newhaven – a number of which have unimplemented planning consents.

- 1.19** LDC are in advanced discussions with a prominent national Social Housing provider to deliver the housing element of the scheme. It is anticipated that the scheme will provide a 100% affordable housing provision – 23 units for social rent and 87 units for shared ownership.
- 1.20** The scheme will be well served by public transport and will re-provide 250 town centre car parking spaces. The configuration of the proposed development will provide safe and secure parking and community facilities will have improved access by public and private transport with public transport links.
- 1.21** The development will create significant employment during the construction period and an estimated 100+ permanent new local jobs when completed.
- Hotel – 30 Jobs
 - Food store – 40 full time jobs
 - New Retail Units – 6 full time and 20 part-time jobs
 - General maintenance/cleaning - 6
- 1.22** The proposals will also safeguard a considerable number of existing jobs within the town centre as it is hoped the step change in provision will halt the spiralling decline
- 1.23** Using the industry standard “GLEK Consulting Multiplier” of £2.84 of economic activity investment for every £1 of construction cost – the project represents £102m of activity within the local economy.
- 1.24** The Council has explored a range of options for the development including full demolition or refurbishment of the current assets. It is proposed that in order to achieve the step change required, and to ensure it is viable, we will work with the existing shell of the asset as much as possible as well as some new build.
- 1.25** The exact configuration of the space is subject to change and will be partly informed through the consultation process. To date, there has been informal consultation with Ward Councillors, Wave Leisure, officers from Newhaven Town Council, the Enterprise Zone Programme Board, and the Strategic Property Board, resulting in broad support from each. Informal public consultation is planned for late June/early July prior to the submission of the detailed scheme for planning.
- 1.26** The proposed scheme is designed to regenerate the town centre and to give residents the facilities they need now and in the future. The hotel proposal would not only provide new accommodation for visitors to the town, but would also result in other food and drinks interest into the town

centre and increase footfall. Gauging interest in pre-lets in this manner considerably de-risks the proposal and strengthens the investment case.

- 1.27** The construction contract will be procured via the council's Clear Futures framework that will ensure that a significant proportion of local companies and suppliers are included as part of the procurement strategy.
- 1.28** By developing commercial and community use "anchors" to both the north and south side of the High the connectivity between the two will create a pedestrian flow and activity through the High Street and offer wider scale economic benefits to the town centre generally.

Programme

The target milestone dates for the project are:

1. Public Consultation – September 2018
2. Planning Application – November 2018
3. Planning Approval – April 2019
4. Start on site (Leisure/Health Hub and Retail) - July 2019
5. New Leisure/Health Hub operational – Jan 2021
6. New retail/residential commences – Feb 2021
7. Retail/Residential completes – Feb 2023
8. Hotel construction starts – Feb 2021
9. Hotel Opens – Feb 2022

Parking Strategy to Support Regeneration

- 1.31** In 2016, LDC undertook a review of parking in Newhaven town centre and consulted with a working party of Newhaven Town Councillors who were also looking at the problems arising from nuisance parking. LDC commissioned an independent report into ways the town centre could be improved to encourage cars in with limited free parking and to enable enforcement to take place as appropriate.
- 1.32** The study concluded that it would be possible to create a limited number of on-street bays, and to zone the High Street so that it could be enforced to prevent the nuisance parking, which poses a risk to pedestrians.
- 1.33** However, the amount of on-street parking that could be generated would be very limited and the optimum solution would be to allow limited free parking in Lower Place and the multi-storey car park, of up to 30 minutes.

- 1.34** The Council's plans to develop the town centre are at an advanced stage and there is benefit in introducing limited free parking to encourage footfall and stimulate interest in the area. It is recommended that Cabinet approve the proposal to allow free parking of up to 30 minutes in both Lower Place and Dacre Road multi-storey car parks to support the regeneration strategy for Newhaven and to discourage nuisance parking. The financial implications are set out under paragraph 2.
- 1.35** Additionally, the road through Denton Island is adopted, but does not appear in any of the Traffic Regulation Orders which are in force in Newhaven. As a result, parking violations cannot be enforced and there is a persistent problem with caravans and motorhomes parking overnight.
- 1.36** The nuisance parking described above is having an impact on businesses on Denton Island who find it difficult to park, and there is anecdotal evidence that some customers have been put off visiting at least one business there.
- 1.37** In 2017, the Council purchased Railway Quay in Newhaven as a strategically important site, given its visibility and proximity to the town. Additionally, the site is one of the seven designated Enterprise Zone sites. The Council has been undertaking a review of the potential uses of the site and discussions are advanced with a number of parties to deliver an exemplar eco-manufacturing site with flexible, creative space.
- 1.38** The northern part of the site has been used informally for parking for some time, but it is not enforceable and the motorists are technically trespassing on the land. To regularise the position, it is recommended that the area is brought into the Traffic Regulation Order. Further, it is recommended that officers commission a feasibility study to turn the northern part of Railway Quay into temporary parking, to regularise the current position and to provide additional parking during the redevelopment of the town centre.
- 1.39** It is also further recommended that the Council undertakes to have the Traffic Regulation Order for the area amended to ensure that the pedestrianised area of the town centre can be enforced to prevent nuisance parking.

(2) Financial Appraisal

- 2.1** It is recommended that funding be allocated of up to £500,000 from the property acquisition and development programme in respect of consultancy, professional fees, and surveys to develop the regeneration scheme in more detail. It is proposed that the resultant options will be the subject of a future Cabinet report.
- 2.2** The majority of tickets purchased for Dacre Road and Lower Place are for 30 to 60 minute stays and the revenue from the two car parks amounts to £59,414 (2017-2018 full year total) per annum. Offering free

parking for up to 30 minutes would have a revenue cost of approximately £25,000 - £30,000 per annum, which would be met from the existing service budget.

- 2.3** There is cost to amending or making a Traffic Regulation Order. It is proposed that the sum of up to £15,000 be allocated from the current service budget to cover the costs of the new Traffic Order(s).
- 2.4** The fee for the feasibility study for additional temporary parking at Railway Quay will also be met from the existing service budget and is estimated at £5,000.

(3) Legal Implications

- 3.1** The Council cannot dispose of land held in the general fund for a consideration less than the best that can be reasonably obtained in the market, except with the express consent of the Secretary of State. Disposal includes leasehold sales where the lease term exceeds seven years. The lease mentioned in paragraph 2.8 will be let at an open market rent advised by expert valuation. This satisfies the requirement to obtain best consideration.
- 3.2** In disposing of any land or interest in land the Council must ensure that it does so in accordance with State aid rules. The European Commission's Communication on the Sale of Land (the "Land Communication") sets out an automatic assumption that no State aid is present in a sale of land and buildings provided its terms are followed. The Land Communication requires the sale of land for "market value" through (i) an open and unconditional bidding process or (ii) an expert valuation. The lease mentioned in paragraphs 2.8 will be let at market value rents advised by expert valuation. This satisfies the requirement to dispose of land in accordance with State aid rules.
- 3.3** The conditionality arrangements covered in paragraph 1.13 mean that the Council will not be obliged to build the hotel and grant the lease until it is satisfied that the larger Masterplan can be delivered.
- 3.4** Recommendation (4) seeks authority to enter into a lease without going to auction or inviting tenders or expressions of interest following appropriate public advertisement. Cabinet has power to authorise leases without going to auction or advertisement (CPR 18.1).
- 3.5** Contracts for the supply of works, goods and services should be procured in accordance with the Council's Contract Procedure Rules (CPRs) and procurement obligations. It is proposed that the construction element of the project will be progressed through the Energy & Sustainability Joint Venture (JV) if this is considered appropriate. Compliance with CPRs and procurement obligations will be achieved if procurement is carried out in accordance with the terms of the JV.

19 June 2018 Ref: 007446-LDC-MR and 007472-LDC-MW

(4) Risk Management Implications

4.1 The risk management implications will be determined through the project risk register.

(5) Equality Screening

5.1 An equality impact assessment will be carried out prior to reaching the point where the construction contract is ready to be let.

(6) Background Papers

6.1 None

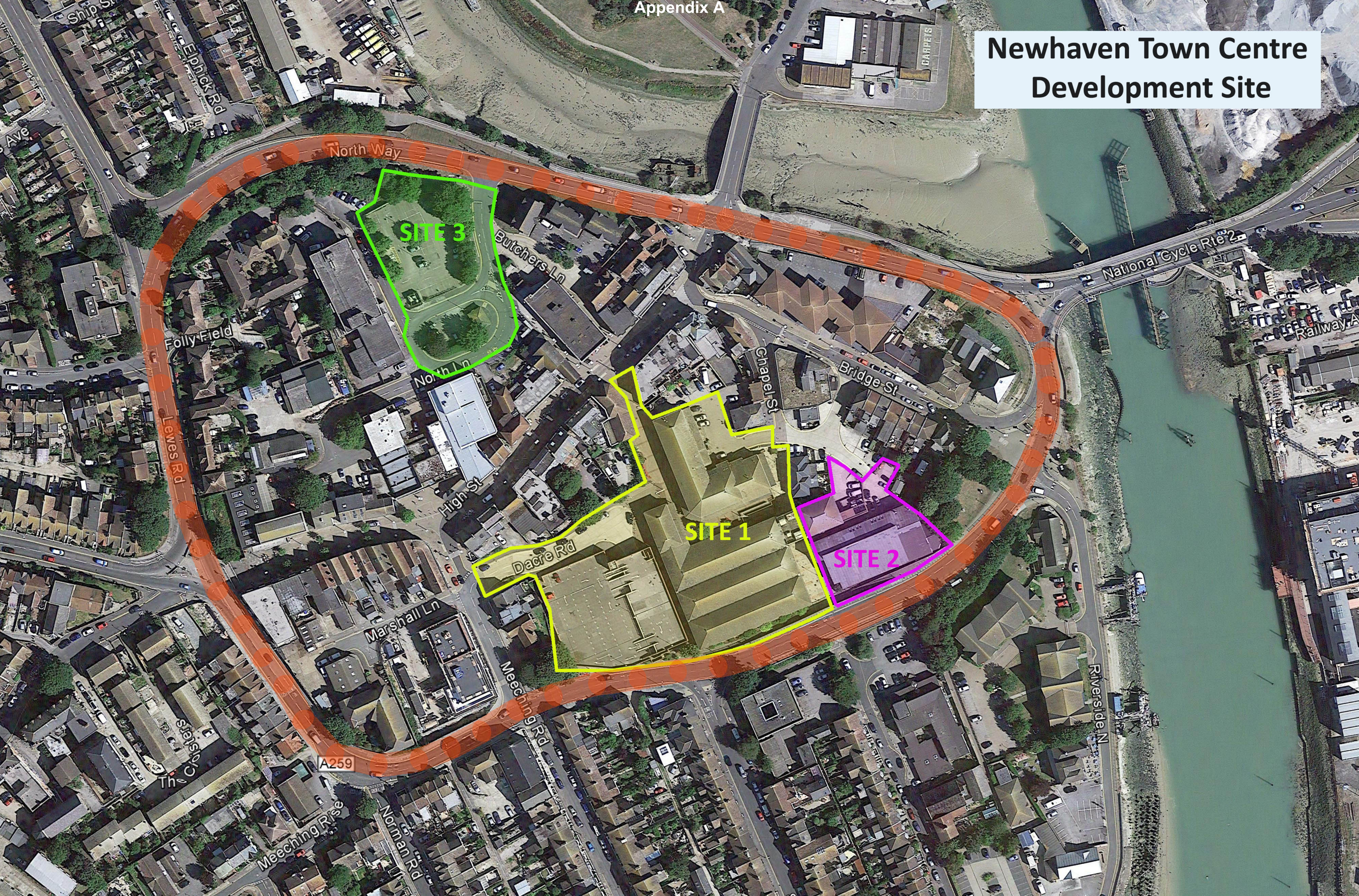
(7) Appendices

7.1 Appendix A: Proposed Development Sites

Appendix B: Indicative plans for sites 1, 2, and 3

Appendix C: Heads of Terms (Exempt)

Newhaven Town Centre Development Site



SITE 3

SITE 1

SITE 2

Ship St
Elphick Rd
Ave

North Way

Butchers Ln
Follyfield
North Ln

National Cycle Rte 2
Railway A

Lewes Rd
High St
Chapel St
Bridge St

Dacre Rd

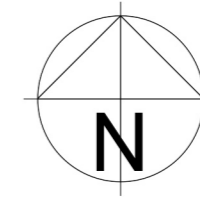
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Meching Rd
Riverside N

A259
Meching Rise
Norman Rd

The Cres
Steyles

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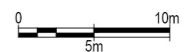


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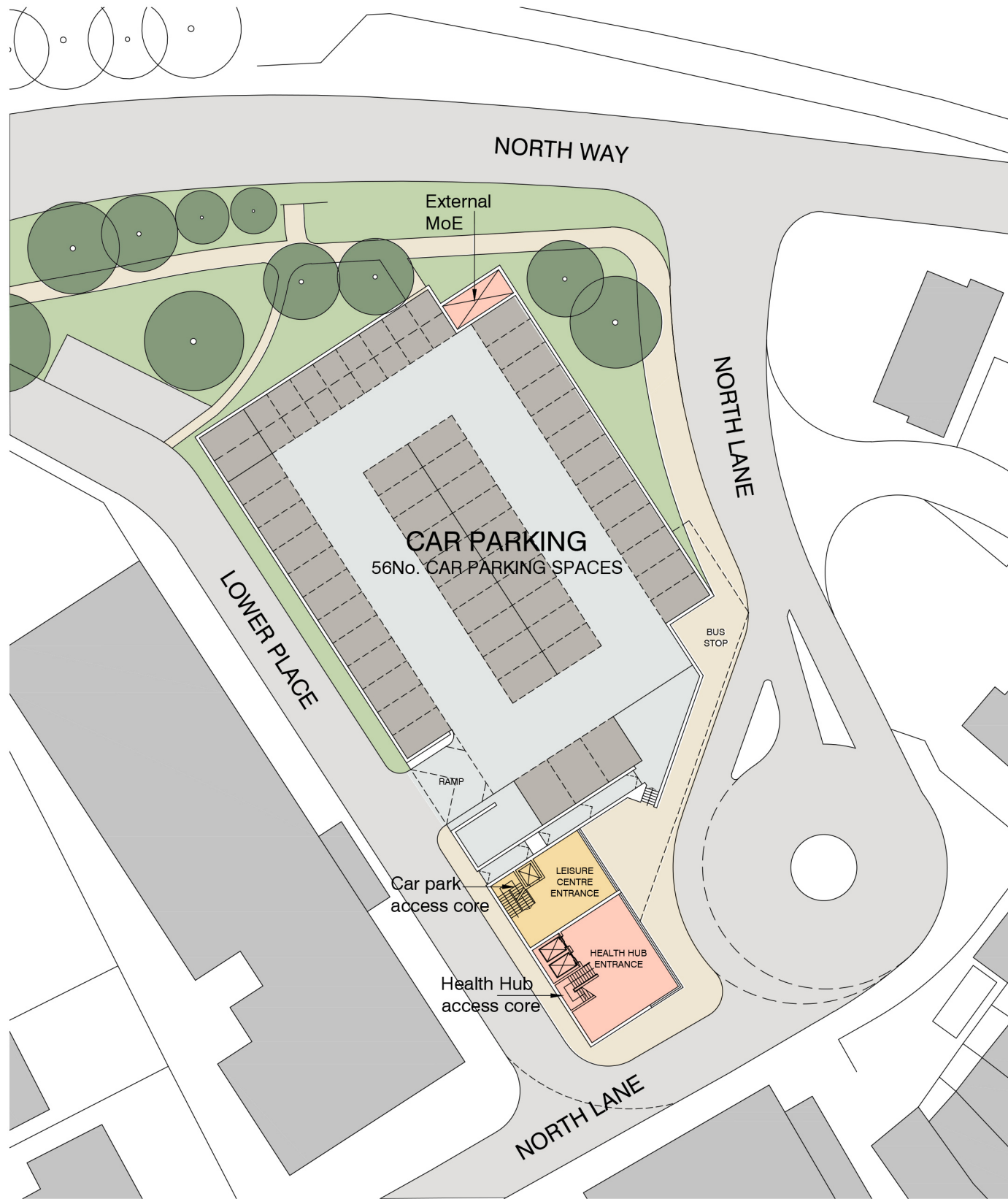
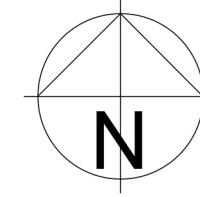
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 CS.312, 27-31 Clerkenwell Close
 London EC1R 0AT
 T 020 3176 8109
 london@holmesmiller.com



PROJECT	NEWHAVEN SQUARE	
DRAWING	PROPOSED LEVEL 1 FLOOR PLAN	
SCALE	1:500 @ A3	CHECKED
NUMBER	4157-X009	

Proposed Level 1 Floor Plan

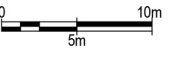
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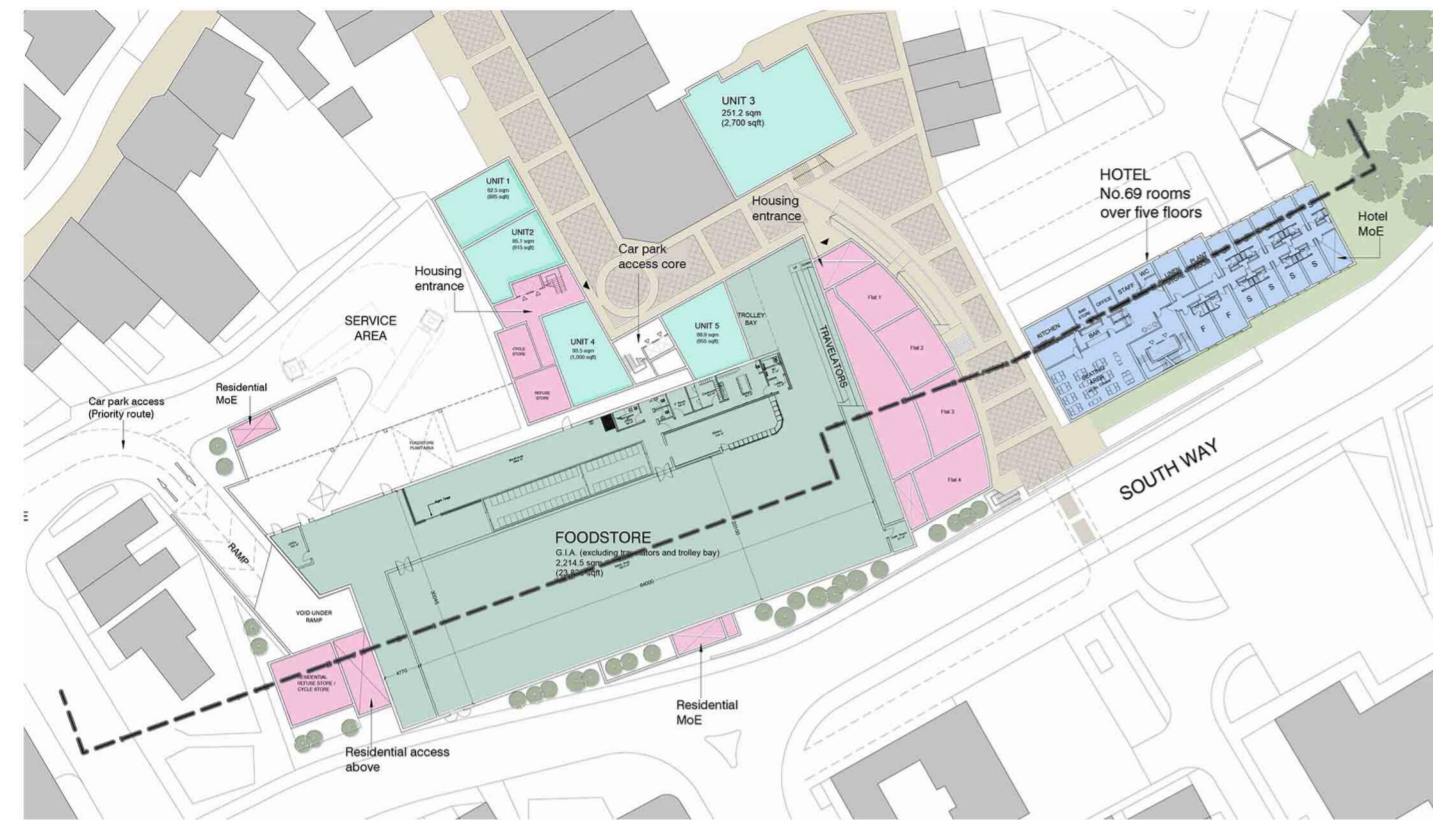
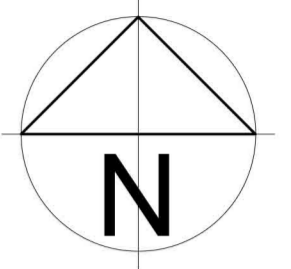
Architects
 Holmes Miller
 CS.312, 27-31 Clerkenwell Close
 London EC1R 0AT
 T 020 3176 8109
 london@holmesmiller.com



PROJECT	NEWHAVEN SQUARE	
DRAWING	PROPOSED LEVEL 2 FLOOR PLAN	
SCALE	1:500 @ A3	CHECKED
NUMBER	4157-X010	

Proposed Level 2 Floor Plan

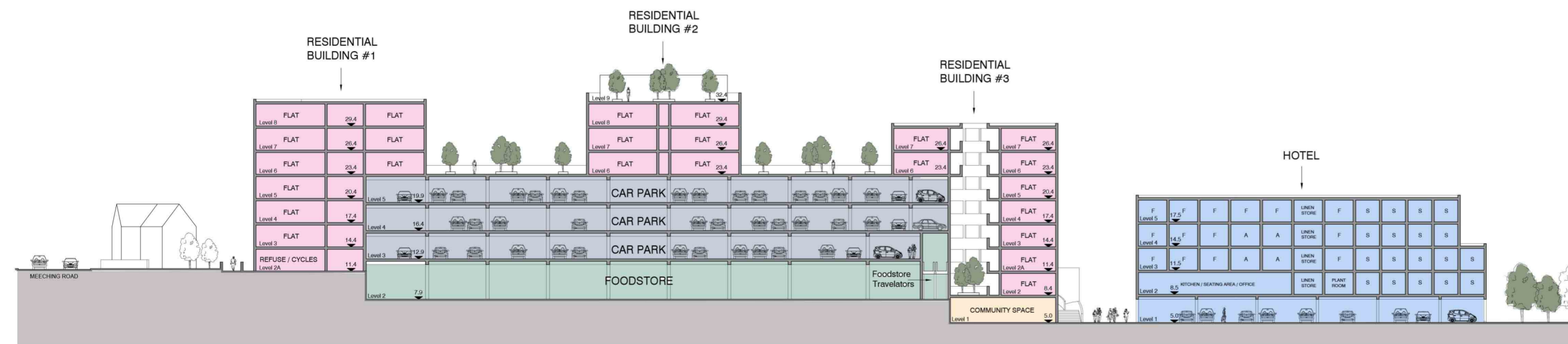
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LEVEL 2 KEY PLAN (1:1000)



LEVELS 6 / 7 KEY PLAN (1:1000)

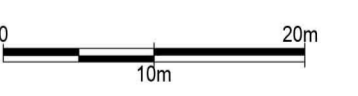


LONGITUDINAL SECTION (1:500)

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Architects
 Holmes Miller
 CS.312, 27-31 Clerkenwell Close
 London EC1R 0AT
 T: 020 3176 8109
 london@holmesmiller.com



PROJECT	NEWHAVEN
DRAWING	LONGITUDINAL SECTION
SCALE	1:500 @ A2
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NUMBER	4157-Z010

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